

Synchrony Financial Reports Third Quarter Net Earnings of \$574 Million or \$0.69 Per Diluted Share



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By

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STAMFORD, Conn., Oct 16, 2015 (BUSINESS WIRE) -- Synchrony Financial **SYF**, **+0.05%** today announced third quarter 2015 net earnings of \$574 million, or \$0.69 per diluted share. Highlights for the quarter included:

- Total platform revenue increased 9% from the third quarter of 2014 to \$2.7 billion

- Loan receivables grew \$7 billion, or 12%, from the third quarter of 2014 to \$64 billion
- Purchase volume increased 12% from the third quarter of 2014
- Renewed PayPal, a top 10 partnership, and Sleepy's
- Signed new partners - Citgo and The Container Store
- Expanded our network - CareCredit cards will be accepted at all Rite Aid locations nationwide
- Launched new programs with Guitar Center and Athleta
- Launched Samsung Pay for Payment Solutions and CareCredit cardholders
- Continued strong deposit growth, up \$8 billion, or 24%, over the third quarter of 2014
- Received approval from Federal Reserve Board to become a standalone savings and loan holding company following completion of GE's proposed exchange offer

"The approval we received from the Federal Reserve is a major milestone in our journey towards being a fully independent company. The third quarter marked another period of strong performance with the signing or renewal of several significant partnerships, continued advancement of our mobile wallet strategy, solid financial results, and ongoing deposit growth through our fast-growing online bank," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "We are concurrently focused on completing the separation from GE and driving our business forward—staying at the forefront of consumer finance by developing innovative solutions for our partners, while continuing to drive incremental value for our customers."

Business and Financial Highlights for the Third Quarter of 2015

All comparisons below are for the third quarter of 2015 compared to the third quarter of 2014, unless otherwise noted.

Earnings

- Net interest income increased \$224 million, or 8%, to \$3.1 billion, driven by strong loan receivables growth, partially offset by higher interest expense driven by growth, funding issued to increase liquidity, and funding mix. Net interest income after retailer share arrangements increased 9%.
- Total platform revenue increased \$221 million, or 9%.
- Provision for loan losses increased \$27 million to \$702 million largely due to loan receivables growth, partially offset by asset quality improvement.
- Other income decreased \$12 million to \$84 million, driven by higher loyalty and rewards costs associated with program initiatives, partially offset by an increase in interchange revenue.
- Other expense increased \$115 million to \$843 million, primarily driven by investments in growth and infrastructure build in preparation for separation from the General Electric Company (GE), and included expenses for the completion of the EMV card rollout for active Dual Card accounts.
- Net earnings totaled \$574 million for the quarter compared to \$548 million in the third quarter of 2014.

Balance Sheet

- Period-end loan receivables growth remained strong at 12%, primarily driven by purchase volume growth of 12% and average active account growth of 4%, and included the acquisition of the BP portfolio during the second quarter of 2015.
- Deposits grew to \$41 billion, up \$8 billion, or 24%, from the third quarter of 2014, and comprised 63% of funding compared to 54% last year.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn securitization capacity) at \$22 billion, or 28% of total assets.
- The estimated Common Equity Tier 1 ratio under Basel III subject to transition provisions was 17.5% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 16.6%.

Key Financial Metrics

- Return on assets was 2.9% and return on equity was 19.2%.
- Net interest margin declined 114 basis points to 15.97% primarily due to the impact from the significant increase in liquidity.
- Efficiency ratio was 34.2%, and included expenses associated with the completion of the EMV card rollout for active Dual Card accounts.

Credit Quality

- Loans 30+ days past due as a percentage of period-end loan receivables improved 24 basis points to 4.02%.
- Net charge-offs as a percentage of total average loan receivables improved 3 basis points to 4.02%.
- The allowance for loan losses as a percentage of total period-end receivables was 5.31%.

Sales Platforms

- Retail Card platform revenue increased 10%, driven primarily by purchase volume growth of 12% and period-end loan receivables growth of 13%, which included the acquisition of the BP portfolio during the second quarter of 2015. Loan receivables growth was broad-based across partner programs.
- Payment Solutions platform revenue increased 8%, driven primarily by purchase volume growth of 13% and period-end loan receivables growth of

12%. Loan receivables growth was led by home furnishing and automotive products.

- CareCredit platform revenue increased 3%, driven primarily by purchase volume growth of 13% and period-end loan receivables growth of 5%, with growth led by dental and veterinary specialties.

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 in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed February 23, 2015, and in the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended September 30, 2015. The detailed financial tables and other information are also available on the Investor Relations page of the Company's website at www.investors.synchronyfinancial.com. This information is also furnished in a Current Report on Form 8-K filed with the SEC today.

Conference Call and Webcast Information

On Friday, October 16, 2015, at 10:30 a.m. Eastern Time, Margaret Keane, President and Chief Executive Officer, and Brian Doubles, Executive Vice President and Chief Financial Officer, will host a conference call to review the financial results and outlook for certain business drivers. The conference call can be accessed via an audio webcast through the Investor Relations page of our website, www.investors.synchronyfinancial.com, under Events and Presentations. A replay will be available on the website or by dialing (888) 843-7419 (U.S. domestic) or (630) 652-3042 (international), passcode 32015#, and can be accessed beginning approximately two hours after the event through October 30, 2015.

About Synchrony Financial

Synchrony Financial **SYF, +0.05%** is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables*. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations, and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 300,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Our offerings include private label and co-branded Dual Card credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com and twitter.com/SYFNews.

[*] Source: The Nilson Report (April, 2015, Issue # 1062) - based on 2014 data.

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 "outlook," "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our reliance on dividends, distributions and other payments from Synchrony Bank; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; significant and extensive regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Act and the impact of the CFPB's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules; restrictions that limit Synchrony Bank's ability to pay dividends; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; failure to comply with anti-money laundering and anti-terrorism financing laws; effect of General Electric Capital Corporation being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systemically important

financial institution; GE not completing the separation from us as planned or at all, GE's inability to obtain savings and loan holding company deregistration (GE SLHC Deregistration) and GE continuing to have significant control over us; any conditions of the Federal Reserve Board approval required for us to continue to be a savings and loan holding company; our need to establish and significantly expand many aspects of our operations and infrastructure; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; GE's significant control over us; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

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, 2014, as filed on February 23, 2015. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Non-GAAP Measures

The information provided herein includes measures we refer to as "platform revenue", "platform revenue excluding retailer share arrangements" and "tangible common equity" and certain capital ratios, 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					3Q'15 vs. 3Q'14		Nine Months Ended		YTD'15 vs. YTD'14	
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014			Sep 30, 2015	Sep 30, 2014		
EARNINGS											
Net interest income	\$3,103	\$2,907	\$2,875	\$2,978	\$2,879	\$ 224	7.8%	\$ 8,885	\$ 8,342	\$ 543	6.5%
Retailer share arrangements	(723)	(621)	(660)	(698)	(693)	(30)	4.3%	(2,004)	(1,877)	(127)	6.8%
Net interest income, after retailer share arrangements	2,380	2,286	2,215	2,280	2,186	194	8.9%	6,881	6,465	416	6.4%
Provision for loan losses	702	740	687	797	675	27	4.0%	2,129	2,120	9	0.4%
Net interest income, after retailer share arrangements and provision for loan losses	1,678	1,546	1,528	1,483	1,511	167	11.1%	4,752	4,345	407	9.4%
Other income	84	120	101	162	96	(12)	(12.5)%	305	323	(18)	(5.6)%
Other expense	843	805	746	792	728	115	15.8%	2,394	2,135	259	12.1%
Earnings before provision for income taxes	919	861	883	853	879	40	4.6%	2,663	2,533	130	5.1%
Provision for income taxes	345	320	331	322	331	14	4.2%	996	955	41	4.3%
Net earnings	\$ 574	\$ 541	\$ 552	\$ 531	\$ 548	\$ 26	4.7%	\$ 1,667	\$ 1,578	\$ 89	5.6%
Net earnings attributable to common stockholders	\$ 574	\$ 541	\$ 552	\$ 531	\$ 548	\$ 26	4.7%	\$ 1,667	\$ 1,578	\$ 89	5.6%
COMMON SHARE STATISTICS											
Basic EPS	\$ 0.69	\$ 0.65	\$ 0.66	\$ 0.64	\$ 0.70	(\$0.01)	(1.4)%	\$ 2.00	\$ 2.16	(\$0.16)	(7.4)%
Diluted EPS	\$ 0.69	\$ 0.65	\$ 0.66	\$ 0.64	\$ 0.70	(\$0.01)	(1.4)%	\$ 2.00	\$ 2.16	(\$0.16)	(7.4)%
Common stock price	\$31.30	\$32.93	\$30.35	\$29.75	\$24.55	\$ 6.75	27.5%	\$ 31.30	\$ 24.55	\$ 6.75	27.5%
Book value per share	\$14.58	\$13.89	\$13.24	\$12.57	\$11.92	\$ 2.66	22.3%	\$ 14.58	\$ 11.92	\$ 2.66	22.3%
Tangible book value per share [(1)]	\$12.67	\$12.06	\$11.43	\$10.81	\$10.25	\$ 2.42	23.6%	\$ 12.67	\$ 10.25	\$ 2.42	23.6%
Beginning common shares outstanding	833.8	833.8	833.8	833.8	705.3	128.5	18.2%	833.8	705.3	128.5	18.2%
Issuance of common shares through initial public offering	-	-	-	-	128.5	(128.5)	(100.0)%	-	128.5	(128.5)	(100.0)%
Shares repurchased	-	-	-	-	-	-	-%	-	-	-	-%
Ending common shares outstanding	833.8	833.8	833.8	833.8	833.8	-	-%	833.8	833.8	-	-%
Weighted average common shares outstanding	833.8	833.8	833.8	833.8	781.8	52.0	6.7%	833.8	731.0	102.8	14.1%
Weighted average common shares outstanding (fully diluted)	835.8	835.4	835.0	834.3	781.9	53.9	6.9%	835.4	731.0	104.4	14.3%

(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, except account data)

	Quarter Ended					3Q'15 vs. 3Q'14		Nine Months Ended		YTD'15 vs. YTD'14	
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014			Sep 30, 2015	Sep 30, 2014		

Interest on deposits	159	146	137	139	126	33	26.2%	442	331	111	33.5%
Interest on borrowings of consolidated securitization entities	54	53	52	57	57	(3)	(5.3)%	159	158	1	0.6%
Interest on third-party debt	76	71	82	78	46	30	65.2%	229	46	183	NM
Interest on related party debt	-	-	4	8	15	(15)	(100.0)%	4	105	(101)	(96.2)%
Total interest expense	289	270	275	282	244	45	18.4%	834	640	194	30.3%
Net interest income	3,103	2,907	2,875	2,978	2,879	224	7.8%	8,885	8,342	543	6.5%
Retailer share arrangements	(723)	(621)	(660)	(698)	(693)	(30)	4.3%	(2,004)	(1,877)	(127)	6.8%
Net interest income, after retailer share arrangements	2,380	2,286	2,215	2,280	2,186	194	8.9%	6,881	6,465	416	6.4%
Provision for loan losses	702	740	687	797	675	27	4.0%	2,129	2,120	9	0.4%
Net interest income, after retailer share arrangements and provision for loan losses	1,678	1,546	1,528	1,483	1,511	167	11.1%	4,752	4,345	407	9.4%
Other income:											
Interchange revenue	135	123	100	120	101	34	33.7%	358	269	89	33.1%
Debt cancellation fees	61	61	65	67	68	(7)	(10.3)%	187	208	(21)	(10.1)%
Loyalty programs	(122)	(94)	(78)	(91)	(84)	(38)	45.2%	(294)	(190)	(104)	54.7%
Other	10	30	14	66	11	(1)	(9.1)%	54	36	18	50.0%
Total other income	84	120	101	162	96	(12)	(12.5)%	305	323	(18)	(5.6)%
Other expense:											
Employee costs	268	250	239	227	239	29	12.1%	757	639	118	18.5%
Professional fees [(1)]	162	156	162	139	149	13	8.7%	480	424	56	13.2%
Marketing and business development	115	108	82	165	115	-	-%	305	295	10	3.4%
Information processing	77	74	63	60	47	30	63.8%	214	152	62	40.8%
Other [(1)]	221	217	200	201	178	43	24.2%	638	625	13	2.1%
Total other expense	843	805	746	792	728	115	15.8%	2,394	2,135	259	12.1%
Earnings before provision for income taxes	919	861	883	853	879	40	4.6%	2,663	2,533	130	5.1%
Provision for income taxes	345	320	331	322	331	14	4.2%	996	955	41	4.3%
Net earnings attributable to common shareholders	\$ 574	\$ 541	\$ 552	\$ 531	\$ 548	\$ 26	4.7%	\$ 1,667	\$ 1,578	\$ 89	5.6%

(1) We have reclassified certain amounts within Professional fees to Other for all periods in 2014 to conform to the current period classifications.

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

	Quarter Ended				Sep 30, 2014	Sep 30, 2015 vs. Sep 30, 2014
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014		
Assets						
Cash and equivalents	\$ 12,271	\$ 10,621	\$ 11,218	\$ 11,828	\$ 14,808	(\$2,537) (17.1)%
Investment securities	3,596	3,682	3,121	1,598	325	3,271 NM
Loan receivables:						
Unsecuritized loans held for investment	38,325	36,019	33,424	34,335	30,474	7,851 25.8%
Restricted loans of consolidated securitization entities	25,195	25,412	24,824	26,951	26,293	(1,098) (4.2)%
Total loan receivables	63,520	61,431	58,248	61,286	56,767	6,753 11.9%
Less: Allowance for loan losses	(3,371)	(3,302)	(3,255)	(3,236)	(3,102)	(269) 8.7%
Loan receivables, net	60,149	58,129	54,993	58,050	53,665	6,484 12.1%
Loan receivables held for sale	-	-	359	332	1,493	(1,493) (100.0)%
Goodwill	949	949	949	949	949	- -%
Intangible assets, net	646	575	557	519	449	197 43.9%
Other assets	1,831	1,794	1,524	2,431	1,780	51 2.9%
Total assets	\$ 79,442	\$ 75,750	\$ 72,721	\$ 75,707	\$ 73,469	\$ 5,973 8.1%
Liabilities and Equity						
Deposits:						
Interest-bearing deposit accounts	\$ 40,408	\$ 37,629	\$ 34,788	\$ 34,847	\$ 32,480	\$ 7,928 24.4%
Non-interest-bearing deposit accounts	140	143	162	108	209	(69) (33.0)%
Total deposits	40,548	37,772	34,950	34,955	32,689	7,859 24.0%
Borrowings:						
Borrowings of consolidated securitization entities	13,640	13,948	13,817	14,967	15,091	(1,451) (9.6)%
Bank term loan	4,651	5,151	5,651	8,245	7,495	(2,844) (37.9)%
Senior unsecured notes	5,590	4,593	4,592	3,593	3,593	1,997 55.6%
Related party debt	-	-	-	655	1,405	(1,405) (100.0)%
Total borrowings	23,881	23,692	24,060	27,460	27,584	(3,703) (13.4)%
Accrued expenses and other liabilities	2,855	2,708	2,675	2,814	3,255	(400) (12.3)%
Total liabilities	67,284	64,172	61,685	65,229	63,528	3,756 5.9%
Equity:						
Parent's net investment	-	-	-	-	-	- -%
Common stock	1	1	1	1	1	- -%
Additional paid-in capital	9,431	9,422	9,418	9,408	9,401	30 0.3%
Retained earnings	2,746	2,172	1,631	1,079	548	2,198 NM
Accumulated other comprehensive income:	(20)	(17)	(14)	(10)	(9)	(11) 122.2%
Total equity	12,158	11,578	11,036	10,478	9,941	2,217 22.3%
Total liabilities and equity	\$ 79,442	\$ 75,750	\$ 72,721	\$ 75,707	\$ 73,469	\$ 5,973 8.1%

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

liabilities	66,115	62,843	63,109	64,803	60,101
Equity					
Total equity	11,880	11,300	10,749	10,228	8,199
Total liabilities and equity	\$77,995	\$74,143	\$73,858	\$75,031	\$68,300
Net interest income	\$ 3,103	\$ 2,907	\$ 2,875	\$ 2,978	\$
Interest rate spread [(2)]	15.64%	15.43%	15.44%	15.28%	
Net interest margin [(3)]	15.97%	15.77%	15.79%	15.60%	

(1) Interest on liabilities calculated above utilizes monthly average balances. The effective interest rates for the Bank term loan for the quarters ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, were 2.23%, 2.21%, 2.21%, 2.19% and 2.21%, respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

(2) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.

(3) 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)

	Nine Months Ended Sep 30, 2015			Nine Months Ended Sep 30, 2014		
	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	\$ 11,144	\$ 19	0.23%	\$ 6,587	\$ 9	0.18%
Securities available for sale	3,066	15	0.65%	281	9	4.31%
Loan receivables:						
Credit cards, including held for sale	58,442	9,500	21.73%	53,836	8,781	21.97%
Consumer installment loans	1,107	78	9.42%	1,012	72	9.58%
Commercial credit products	1,361	106	10.41%	1,374	111	10.88%
Other	36	1	NM	16	-	-%
Total loan receivables, including held for sale	60,946	9,685	21.25%	56,238	8,964	21.47%
Total interest-earning assets	75,156	9,719	17.29%	63,106	8,982	19.17%
Non-interest-earning assets:						
Cash and due from banks	782			863		
Allowance for loan losses	(3,304)			(2,997)		
Other assets	2,917			2,360		
Total non-interest-earning assets	395			226		
Total assets	\$ 75,551			\$ 63,332		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	\$ 36,768	\$ 442	1.61%	\$ 28,799	\$ 331	1.55%
Borrowings of consolidated securitization entities	13,966	159	1.52%	14,888	158	1.43%
Bank term loan [(1)]	5,653	108	2.55%	1,499	28	2.52%
Senior unsecured notes [(1)]	4,692	121	3.45%	719	18	3.37%
Related party debt [(1)]	163	4	3.28%	6,739	105	2.10%
Total interest-bearing liabilities	61,242	834	1.82%	52,644	640	1.64%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	153			259		
Other liabilities	2,846			3,272		
Total non-interest-bearing liabilities	2,999			3,531		
Total liabilities	64,241			56,175		
Equity						
Total equity	11,310			7,157		
Total liabilities and equity	\$ 75,551			\$ 63,332		
Net interest income		\$ 8,885			\$ 8,342	
Interest rate spread [(2)]			15.47%			17.53%
Net interest margin [(3)]			15.81%			17.80%

(1) Interest on liabilities calculated above utilizes monthly average balances. The effective interest rate for the Bank term loan for the 9 months ended September 30, 2015 and September 30, 2014 were 2.22% and 2.21% respectively. The Bank term loan effective

rate excludes the impact of charges incurred in connection with the prepayments of the loan. The effective interest rate for the Senior unsecured notes for the 9 months ended September 30, 2014 was 3.62%.

(2) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.

(3) 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					Sep 30, 2014	Sep 30, 2015 vs. Sep 30, 2014
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014		
BALANCE SHEET STATISTICS							
Total common equity	\$ 12,158	\$ 11,578	\$ 11,036	\$ 10,478	\$ 9,941	\$ 2,217	22.3%
Total common equity as a % of total assets	15.30%	15.28%	15.18%	13.84%	13.53%		1.77%
Tangible Assets							
Tangible assets	\$ 77,847	\$ 74,226	\$ 71,215	\$ 74,239	\$ 72,071	\$ 5,776	8.0%
Tangible common equity [(1)]	\$ 10,563	\$ 10,054	\$ 9,530	\$ 9,010	\$ 8,543	\$ 2,020	23.6%
Tangible common equity as a % of tangible assets [(1)]	13.57%	13.55%	13.38%	12.14%	11.85%		1.72%
Tangible common equity per share [(1)]	\$ 12.67	\$ 12.06	\$ 11.43	\$ 10.81	\$ 10.25	\$ 2.42	23.6%
REGULATORY CAPITAL RATIOS [(2)]							
	Basel III Transition			Basel I			
Total risk-based capital ratio [(3)(8)]	18.8%	18.5%	18.2%	16.2%	16.4%		
Tier 1 risk-based capital ratio [(4)(8)]	17.5%	17.2%	16.9%	14.9%	15.1%		
Tier 1 common ratio [(5)(8)]	n/a	n/a	16.9%	14.9%	15.1%		
Tier 1 leverage ratio [(6)(8)]	14.6%	14.6%	13.7%	12.5%	12.2%		
Common equity Tier 1 capital ratio [(7)(8)]	17.5%	17.2%	n/a	n/a	n/a		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio [(7)]	16.6%	16.4%	16.4%	14.5%	14.6%		

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

(2) Regulatory capital metrics at September 30, 2015 are preliminary and therefore subject to change. As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these ratios are non-GAAP measures. See Reconciliation of Non-GAAP Measures and Calculation of Regulatory Measures for components of capital ratio calculations.

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

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

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

(6) Tier 1 leverage ratio reported under Basel III transition rules is calculated based on Tier 1 capital divided by total average assets, after certain adjustments. Total assets, after certain adjustments is used as the denominator for prior periods calculated under Basel I rules.

(7) Common equity Tier 1 capital ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated under Basel III rules. Common equity Tier 1 capital ratio (fully phased-in) is a preliminary estimate reflecting management's interpretation of the final Basel III rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance.

(8) Beginning June 30, 2015, regulatory capital ratios are calculated under Basel III rules subject to transition provisions. The Company reported under Basel I rules for periods prior to June 30, 2015.

SYNCHRONY FINANCIAL

PLATFORM RESULTS AND RECONCILIATION OF NON-GAAP MEASURES

(unaudited, \$ in millions)

	Quarter Ended					3Q'15 vs. 3Q'14		Nine Months Ended		YTD'15 vs. YTD'14	
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	Sep 30, 2015	Sep 30, 2014	YTD'15 vs. YTD'14	
RETAIL CARD											
Purchase volume [(1),(2)]	\$23,560	\$23,452	\$18,410	\$24,855	\$20,991	\$2,569	12.2%	\$65,422	\$58,736	\$6,686	11.4%
Period-end loan receivables	\$43,432	\$42,315	\$39,685	\$42,308	\$38,466	\$4,966	12.9%	\$43,432	\$38,466	\$4,966	12.9%
Average loan receivables, including held for sale	\$42,933	\$41,303	\$40,986	\$40,929	\$39,411	\$3,522	8.9%	\$41,853	\$38,685	\$3,168	8.2%
Average active accounts (in thousands) [(2),(3)]	49,953	48,981	49,617	49,871	48,433	1,520	3.1%	49,671	48,116	1,555	3.2%
Interest and fees on loans [(2)]	\$ 2,508	\$ 2,335	\$ 2,337	\$ 2,405	\$ 2,299	\$ 209	9.1%	\$ 7,180	\$ 6,635	\$ 545	8.2%
Other income [(2)]	70	107	86	141	78	(8)	(10.3)%	263	266	(\$3)	(1.1)%
Platform revenue, excluding retailer share arrangements [(2)]	2,578	2,442	2,423	2,546	2,377	201	8.5%	7,443	6,901	\$ 542	7.9%
Retailer share arrangements [(2)]	(708)	(606)	(651)	(686)	(683)	(25)	3.7%	(1,965)	(1,844)	(\$121)	6.6%
Platform revenue [(2)]	\$ 1,870	\$ 1,836	\$ 1,772	\$ 1,860	\$ 1,694	\$ 176	10.4%	\$ 5,478	\$ 5,057	\$ 421	8.3%
PAYMENT SOLUTIONS											
Purchase volume [(1)]	\$ 3,635	\$ 3,371	\$ 2,948	\$ 3,419	\$ 3,226	\$ 409	12.7%	\$ 9,954	\$ 9,028	\$ 926	10.3%
Period-end loan receivables	\$12,933	\$12,194	\$11,833	\$12,095	\$11,514	\$1,419	12.3%	\$12,933	\$11,514	\$1,419	12.3%
Average loan receivables	\$12,523	\$11,971	\$11,970	\$11,772	\$11,267	\$1,256	11.1%	\$12,183	\$10,965	\$1,218	11.1%
Average active accounts (in thousands) [(3)]	7,468	7,231	7,271	7,113	6,892	576	8.4%	7,335	6,784	551	8.1%
Interest and fees on loans	\$ 442	\$ 412	\$ 403	\$ 426	\$ 405	\$ 37	9.1%	\$ 1,257	\$ 1,156	\$ 101	8.7%
Other income	5	4	5	9	7	(2)	(28.6)%	14	23	(\$9)	(39.1)%

Platform revenue, excluding retailer share arrangements	447	416	408	435	412	35	8.5%	1,271	1,179	\$ 92	7.8%
Retailer share arrangements	(13)	(14)	(8)	(11)	(9)	(4)	44.4%	(35)	(30)	(\$5)	16.7%
Platform revenue	\$ 434	\$ 402	\$ 400	\$ 424	\$ 403	\$ 31	7.7%	\$ 1,236	\$ 1,149	\$ 87	7.6%
CARECREDIT											
Purchase volume [(1)]	\$ 2,011	\$ 1,987	\$ 1,781	\$ 1,807	\$ 1,787	\$ 224	12.5%	\$ 5,779	\$ 5,304	\$ 475	9.0%
Period-end loan receivables	\$ 7,155	\$ 6,922	\$ 6,730	\$ 6,883	\$ 6,787	\$ 368	5.4%	\$ 7,155	\$ 6,787	\$ 368	5.4%
Average loan receivables	\$ 7,048	\$ 6,820	\$ 6,819	\$ 6,846	\$ 6,713	\$ 335	5.0%	\$ 6,910	\$ 6,588	\$ 322	4.9%
Average active accounts (in thousands) [(3)]	4,826	4,711	4,716	4,683	4,582	244	5.3%	4,756	4,494	262	5.8%
Interest and fees on loans	\$ 429	\$ 419	\$ 400	\$ 421	\$ 412	\$ 17	4.1%	\$ 1,248	\$ 1,173	\$ 75	6.4%
Other income	9	9	10	12	11	(2)	(18.2)%	28	34	(\$6)	(17.6)%
Platform revenue, excluding retailer share arrangements	438	428	410	433	423	15	3.5%	1,276	1,207	\$ 69	5.7%
Retailer share arrangements	(2)	(1)	(1)	(1)	(1)	(1)	100.0%	(4)	(3)	(1)	33.3%
Platform revenue	\$ 436	\$ 427	\$ 409	\$ 432	\$ 422	\$ 14	3.3%	\$ 1,272	\$ 1,204	\$ 68	5.6%
TOTAL SYF											
Purchase volume [(1),(2)]	\$29,206	\$28,810	\$23,139	\$30,081	\$26,004	\$3,202	12.3%	\$81,155	\$73,068	\$8,087	11.1%
Period-end loan receivables	\$63,520	\$61,431	\$58,248	\$61,286	\$56,767	\$6,753	11.9%	\$63,520	\$56,767	\$6,753	11.9%
Average loan receivables, including held for sale	\$62,504	\$60,094	\$59,775	\$59,547	\$57,391	\$5,113	8.9%	\$60,946	\$56,238	\$4,708	8.4%
Average active accounts (in thousands) [(2),(3)]	62,247	60,923	61,604	61,667	59,907	2,340	3.9%	61,762	59,394	2,368	4.0%
Interest and fees on loans [(2)]	\$ 3,379	\$ 3,166	\$ 3,140	\$ 3,252	\$ 3,116	\$ 263	8.4%	\$ 9,685	\$ 8,964	\$ 721	8.0%
Other income [(2)]	84	120	101	162	96	(12)	(12.5)%	305	323	(\$18)	(5.6)%
Platform revenue, excluding retailer share arrangements [(2)]	3,463	3,286	3,241	3,414	3,212	251	7.8%	9,990	9,287	\$ 703	7.6%
Retailer share arrangements [(2)]	(723)	(621)	(660)	(698)	(693)	(30)	4.3%	(2,004)	(1,877)	(\$127)	6.8%
Platform revenue [(2)]	\$ 2,740	\$ 2,665	\$ 2,581	\$ 2,716	\$ 2,519	\$ 221	8.8%	\$ 7,986	\$ 7,410	\$ 576	7.8%

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

	Quarter Ended				
	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	Sep 30, 2014
COMMON EQUITY MEASURES					
GAAP Total common equity	\$12,158	\$11,578	\$11,036	\$10,478	\$ 9,941
Less: Goodwill	(949)	(949)	(949)	(949)	(949)
Less: Intangible assets, net	(646)	(575)	(557)	(519)	(449)
Tangible common equity	\$10,563	\$10,054	\$ 9,530	\$ 9,010	\$ 8,543
Adjustments for certain other intangible assets, deferred tax liabilities and certain items in accumulated comprehensive income (loss)			293	287	292
Basel I - Tier 1 capital and Tier 1 common equity			\$ 9,823	\$ 9,297	\$ 8,835
Adjustments for certain other intangible assets and deferred tax liabilities			(12)	(20)	(24)
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	291	293			
Basel III - Common equity Tier 1 (fully phased-in)	\$10,854	\$10,347	\$ 9,811	\$ 9,277	\$ 8,811
Adjustment related to capital components during transition	375	331			
Basel III - Common equity Tier I (transition)	\$11,229	\$10,678			
RISK-BASED CAPITAL					
Tier 1 capital and Tier 1 common equity [(1)]	\$11,229	\$10,678	\$ 9,823	\$ 9,297	\$ 8,835
Add: Allowance for loan losses includible in risk-based capital	835	806	759	809	760
Risk-based capital [(1)]	\$12,064	\$11,484	\$10,582	\$10,106	\$ 9,595
ASSET MEASURES					
Total assets [(2)]	\$77,995	\$74,143	\$72,721	\$75,707	\$73,469
Adjustments for:					
Disallowed goodwill and other disallowed intangible assets, net of related deferred tax liabilities	(931)	(903)	(1,213)	(1,181)	(1,110)
Other	104	60	136	79	4
Total assets for leverage purposes [(1)]	\$77,168	\$73,300	\$71,644	\$74,605	\$72,363
Risk-weighted assets - Basel I	n/a	n/a	\$58,184	\$62,270	\$58,457
Risk-weighted assets - Basel III (fully phased-in) [(3)]	\$65,278	\$62,970	\$59,926	\$64,162	\$60,300
Risk-weighted assets - Basel III (transition) [(3)]	\$64,244	\$61,985	n/a	n/a	n/a
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	\$ 14.58	\$ 13.89	\$ 13.24	\$ 12.57	\$ 11.92
Less: Goodwill	(1.14)	(1.14)	(1.14)	(1.14)	(1.14)
Less: Intangible assets, net	(0.77)	(0.69)	(0.67)	(0.62)	(0.53)

Tangible common equity per share

\$ 12.67 \$ 12.06 \$ 11.43 \$ 10.81 \$ 10.25

(1) Beginning June 30, 2015, regulatory capital amounts are calculated under Basel III rules subject to transition provisions. The company reported under Basel I rules for periods prior to June 30, 2015.
 (2) Represents total average assets beginning June 30, 2015 and total assets for all periods prior to June 30, 2015.
 (3) Key differences between Basel III transitional rules and fully phased-in Basel III rules in the calculation of risk-weighted assets include, but not limited to, risk weighting of deferred tax assets and adjustments for certain intangible assets.

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