For Immediate Release
Synchrony Financial (NYSE: SYF)
April 24, 2024

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FIRST QUARTER 2024 RESULTS AND KEY METRICS

4.4%	12.6%	$402M
Return on Assets	CET1 Ratio	Capital Returned

$101.7B
Loan Receivables

Net Earnings of $1.3 Billion or $3.14 per Diluted Share; excluding the Pets Best gain on sale, Adjusted Net Earnings of $491 million or $1.18 per Diluted Share,* which includes a reserve build for the Ally Lending acquisition of $190 million or $(0.35) per Diluted Share

Delivered Record First Quarter Purchase Volume and Strong Receivables Growth

Returned $402 Million of Capital to Shareholders, including $300 Million of Share Repurchases; Board Approved $1.0 Billion of Incremental Share Repurchase Authorization

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2024 net earnings of $1.3 billion, or $3.14 per diluted share, compared to $601 million, or $1.35 per diluted share in the first quarter 2023. Excluding the $802 million post-tax impact of the Pets Best gain on sale, first quarter 2024 adjusted net earnings were $491 million, or $1.18 per diluted share,* which includes a reserve build for the Ally Lending acquisition of $190 million or $(0.35) per diluted share.

KEY OPERATING & FINANCIAL METRICS**

PERFORMANCE REFLECTS DIFFERENTIATED BUSINESS MODEL AND CONTINUED CONSUMER RESILIENCE

- Purchase volume increased 2% to $42.4 billion
- Loan receivables increased 12% to $101.7 billion
- Average active accounts increased 3% to 71.7 million
- New accounts decreased 8% to 4.8 million
- Net interest margin decreased 67 basis points to 14.55%
- Efficiency ratio decreased 990 basis points to 25.1% or decreased 270 basis points to 32.3% on an adjusted basis*
- Return on assets increased 210 basis points to 4.4% or decreased 60 basis points to 1.7% on an adjusted basis*
- Return on equity increased 17.4 percentage points to 35.6% or decreased 4.4 percentage points to 13.8% on an adjusted basis*
- Return on tangible common equity*** increased 21.5 percentage points to 43.6% or decreased 5.3 percentage points to 16.8% on an adjusted basis*

CEO COMMENTARY

"Synchrony's first quarter performance highlights the resiliency of our business model and focus on delivering sustainable, strong results for each of our stakeholders," said Brian Doubles, Synchrony's President and Chief Executive Officer.

"Our differentiated model has empowered consistent performance through evolving environments, while our diversified product suite, compelling value propositions and innovative technology have continued to resonate with consumers and partners alike.

"In the quarter we also successfully completed two previously-announced transactions, which together will broaden our expansive product offerings in the market while delivering compelling risk-adjusted returns.

"We are confident that Synchrony is operating from a position of strength as we navigate the year ahead. We are excited about the opportunities we see to drive considerable long-term value as we continue to partner with hundreds of thousands of small- and mid-size businesses and health providers to help tens of millions of people access their everyday needs and wants."

CFO COMMENTARY

“Synchrony is executing on its business strategy, building on our long history of delivering steady growth at strong risk-adjusted returns through changing market conditions,” said Brian Wenzel, Synchrony’s Executive Vice President and Chief Financial Officer.

"Our differentiated RSA model empowers our financial resilience, while our investments in sophisticated credit management tools empower our agility as we continue to monitor conditions and take actions where necessary to reinforce our positioning for 2024 and beyond.

“In addition, as part of our capital plan, our Board approved an incremental share repurchase authorization of $1 billion and intends to maintain our regular quarterly dividend of $0.25 per share, underscoring their continued confidence in our operating performance and strong balance sheet.

“Taken together, we remain confident that our differentiated model is well positioned to continue to consistently deliver value for each of our stakeholders.”

BUSINESS AND FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2024**

BUSINESS HIGHLIGHTS

CONTINUED TO EXPAND PORTFOLIO, ENHANCE PRODUCTS AND EXTEND REACH

- Completed sale of Pets Best insurance to Independence Pet Holdings, providing the opportunity to build a strategic partnership with one of the leading pet-focused companies in North America.
- Completed acquisition of Ally Lending’s point-of-sale financing business, creating a differentiated solution in the home improvement industry and expanding Synchrony's multi-product strategy within its Home & Auto and Health & Wellness platforms.
- Added or renewed more than 25 programs, including BRP, and new strategic technology partnerships with Adit and ServiceTitan.

FINANCIAL HIGHLIGHTS

EARNINGS DRIVEN BY CORE BUSINESS DRIVERS

- Interest and fees on loans increased 15% to $5.3 billion, driven primarily by growth in average loan receivables, lower payment rate, and higher benchmark rates.
- Net interest income increased $354 million, or 9%, to $4.4 billion, driven by higher interest and fees on loans, partially offset by an increase in interest expense from higher benchmark rates and higher funding liabilities.
- Retailer share arrangements decreased $153 million, or 17%, to $764 million, reflecting higher net charge-offs partially offset by higher net interest income.
- Provision for credit losses increased $594 million to $1.9 billion, driven by higher net charge-offs and a $190 million reserve build related to the Ally Lending acquisition.
- Other income increased $1.1 billion to $1.2 billion, driven primarily by the gain on sale of Pets Best of $1.1 billion.
- Other expense increased $87 million, or 8%, to $1.2 billion, driven primarily by growth related items and technology investments.
- Net earnings increased 115% to $1.3 billion, compared to $601 million. Excluding the $802 million after-tax gain on sale of Pets Best, adjusted net earnings declined 18% to $491 million.*

CREDIT QUALITY

CREDIT CONTINUES TO PERFORM IN LINE WITH EXPECTATIONS

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.74% compared to 3.81% in the prior year, an increase of 93 basis points and approximately 18 basis points above the average of the first quarters in 2017 through 2019.
- Net charge-offs as a percentage of total average loan receivables were 6.31% compared to 4.49% in the prior year, an increase of 182 basis points, performing within our expectations.
- The allowance for credit losses as a percentage of total period-end loan receivables was 10.72%, compared to 10.26% in the fourth quarter 2023 primarily reflecting the impact of seasonal trends.

SALES PLATFORM HIGHLIGHTS

DIVERSITY ACROSS OUR PLATFORMS CONTINUES TO PROVIDE RESILIENCE

- Home & Auto purchase volume decreased 3%, as the strong growth in Home Specialty, Auto Network, and the impact of the Ally Lending acquisition was offset by a combination of lower consumer traffic, fewer large ticket purchases, and lower gas prices as consumers continued to manage spend across their Home and Auto related needs. Period-end loan receivables increased 10%, reflecting the impacts of the Ally Lending acquisition and lower payment rates. Interest and fees on loans were up 13%, primarily driven by higher average loan receivables and higher benchmark rates. Average active accounts increased 2%.
- Digital purchase volume increased 3%, primarily reflecting continued customer engagement through growth in average active accounts. Period-end loan receivables increased 11%, driven by lower payment rates and continued purchase volume growth. Interest and fees on loans increased 15%, reflecting the impacts of higher average loan receivables, lower payment rate, higher benchmark rates and maturation of newer programs. Average active accounts increased 4%.
- Diversified & Value purchase volume increased 4%, driven by both partner and out-of-partner spend. Period-end loan receivables increased 10%, reflecting purchase volume growth and lower payment rates. Interest and fees on loans increased 13%, driven by the impacts of higher average loan receivables, lower payment rate and higher benchmark rates. Average active accounts increased 1%.
- Health & Wellness purchase volume increased 8%, reflecting broad-based growth in active accounts led by Pet, Dental, and Cosmetic. Period-end loan receivables increased 20%, driven by continued higher purchase volume and lower payment rates, and also reflects the acquisition of Ally Lending. Interest and fees on loans increased 18%, reflecting the impacts of purchase volume growth, higher average loan receivables, and lower payment rate. Average active accounts increased 11%.
- Lifestyle purchase volume decreased 4%, reflecting the impact of lower transaction values. Period-end loan receivables increased 11%, driven by strong prior period purchase volume and lower payment rates. Interest and fees on loans increased 14%, driven primarily by the impacts of higher average loan receivables, lower payment rate and higher benchmark rates. Average active accounts increased 1%.

BALANCE SHEET, LIQUIDITY & CAPITAL

FUNDING, CAPITAL & LIQUIDITY REMAIN ROBUST

- Loan receivables of $101.7 billion increased 12%; purchase volume increased 2% and average active accounts increased 3%.
- Deposits increased $9.1 billion, or 12%, to $83.6 billion and comprised 84% of funding.
- Total liquid assets and undrawn credit facilities were $24.9 billion, or 20.5% of total assets.
- The company returned $402 million in capital to shareholders, including $300 million of share repurchases and $102 million of common stock dividends.
- As of March 31, 2024 the Company had a total remaining share repurchase authorization of $300 million.
- In April, the Company's Board approved an incremental share repurchase authorization of $1.0 billion through June 30, 2025, and intends to maintain the quarterly cash dividend at its current amount of $0.25 per share of common stock. Inclusive of the $300 million remaining under its prior share repurchase program as of March 31, 2024, the Company has a total share repurchase authorization of $1.3 billion through June 30, 2025.
- The estimated Common Equity Tier 1 ratio was 12.6% compared to 13.0%, and the estimated Tier 1 Capital ratio was unchanged from the prior year at 13.8%.

* *Financial measures shown on an adjusted basis are non-GAAP measures and exclude the current year amounts related to the Pets Best gain on sale, which was sold in the first quarter of 2024. See non-GAAP reconciliation in the financial tables.*

** *All comparisons are for the first quarter of 2024 compared to the first quarter of 2023, unless otherwise noted.*

*** *Tangible common equity is a non-GAAP financial measure. See non-GAAP reconciliation in the financial tables.*

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, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed February 8, 2024, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended March 31, 2024. 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 Wednesday, April 24, 2024, 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.synchrony.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, outdoor, 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," “aim” or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of partners, and promotion and support of our products by our partners; cyber-attacks or other security incidents or breaches; disruptions in the operations of our and our outsourced partners' computer systems and data centers; the financial performance of our partners; the Consumer Financial Protection Bureau’s (the “CFPB”) final rule on credit card late fees; 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, dispositions 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 CFPB’s regulation of our business, including new requirements and constraints that the Company and the Bank will become subject to as a result of having $100 billion or more in total assets; 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 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 (Continued)

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 Relating to our Business" and “Risk Factors Relating to Regulation” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed on February 8, 2024. 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 “adjusted,” "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, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**1Q'24 vs. 1Q'23**	
EARNINGS							
Net interest income	$ 4,405	$ 4,466	$ 4,362	$ 4,120	$ 4,051	$ 354	8.7 %
Retailer share arrangements	(764)	(878)	(979)	(887)	(917)	153	(16.7)%
Other income	1,157	71	92	61	65	1,092	NM
Net revenue	4,798	3,659	3,475	3,294	3,199	1,599	50.0 %
Provision for credit losses	1,884	1,804	1,488	1,383	1,290	594	46.0 %
Other expense	1,206	1,316	1,154	1,169	1,119	87	7.8 %
Earnings before provision for income taxes	1,708	539	833	742	790	918	116.2 %
Provision for income taxes	415	99	205	173	189	226	119.6 %
Net earnings	$ 1,293	$ 440	$ 628	$ 569	$ 601	$ 692	115.1 %
Net earnings available to common stockholders	$ 1,282	$ 429	$ 618	$ 559	$ 590	$ 692	117.3 %
COMMON SHARE STATISTICS							
Basic EPS	$ 3.17	$ 1.04	$ 1.49	$ 1.32	$ 1.36	$ 1.81	133.1 %
Diluted EPS	$ 3.14	$ 1.03	$ 1.48	$ 1.32	$ 1.35	$ 1.79	132.6 %
Dividend declared per share	$ 0.25	$ 0.25	$ 0.25	$ 0.23	$ 0.23	$ 0.02	8.7 %
Common stock price	$ 43.12	$ 38.19	$ 30.57	$ 33.92	$ 29.08	$ 14.04	48.3 %
Book value per share	$ 35.03	$ 32.36	$ 31.50	$ 30.25	$ 29.08	$ 5.95	20.5 %
Tangible common equity per share(1)	$ 30.36	$ 27.59	$ 27.18	$ 25.89	$ 24.71	$ 5.65	22.9 %
Beginning common shares outstanding	406.9	413.8	418.1	428.4	438.2	(31.3)	(7.1)%
Issuance of common shares	—	—	—	—	—	—	NM
Stock-based compensation	2.0	0.4	0.2	0.2	1.5	0.5	33.3 %
Shares repurchased	(7.5)	(7.3)	(4.5)	(10.5)	(11.3)	3.8	(33.6)%
Ending common shares outstanding	401.4	406.9	413.8	418.1	428.4	(27.0)	(6.3)%
Weighted average common shares outstanding	404.7	411.9	416.0	422.7	434.4	(29.7)	(6.8)%
Weighted average common shares outstanding (fully diluted)	408.2	414.6	418.4	424.2	437.2	(29.0)	(6.6)%

(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						
	Mar 31, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**1Q'24 vs. 1Q'23**	
PERFORMANCE METRICS							
Return on assets[1]	4.4 %	1.5 %	2.3 %	2.1 %	2.3 %		2.1 %
Return on equity[2]	35.6 %	12.4 %	18.1 %	17.0 %	18.2 %		17.4 %
Return on tangible common equity[3]	43.6 %	14.7 %	21.9 %	20.6 %	22.1 %		21.5 %
Net interest margin[4]	14.55 %	15.10 %	15.36 %	14.94 %	15.22 %		(0.67)%
Net revenue as a % of average loan receivables, including held for sale	19.11 %	14.56 %	14.33 %	14.29 %	14.29 %		4.82 %
Efficiency ratio[5]	25.1 %	36.0 %	33.2 %	35.5 %	35.0 %		(9.9)%
Other expense as a % of average loan receivables, including held for sale	4.80 %	5.24 %	4.76 %	5.07 %	5.00 %		(0.20)%
Effective income tax rate	24.3 %	18.4 %	24.6 %	23.3 %	23.9 %		0.4 %
CREDIT QUALITY METRICS							
Net charge-offs as a % of average loan receivables, including held for sale	6.31 %	5.58 %	4.60 %	4.75 %	4.49 %		1.82 %
30+ days past due as a % of period-end loan receivables[6]	4.74 %	4.74 %	4.40 %	3.84 %	3.81 %		0.93 %
90+ days past due as a % of period-end loan receivables[6]	2.42 %	2.28 %	2.06 %	1.77 %	1.87 %		0.55 %
Net charge-offs	$ 1,585	$ 1,402	$ 1,116	$ 1,096	$ 1,006	$ 579	57.6 %
Loan receivables delinquent over 30 days[6]	$ 4,820	$ 4,885	$ 4,304	$ 3,641	$ 3,474	$ 1,346	38.7 %
Loan receivables delinquent over 90 days[6]	$ 2,459	$ 2,353	$ 2,020	$ 1,677	$ 1,705	$ 754	44.2 %
Allowance for credit losses (period-end)	$ 10,905	$ 10,571	$ 10,176	$ 9,804	$ 9,517	$ 1,388	14.6 %
Allowance coverage ratio[7]	10.72 %	10.26 %	10.40 %	10.34 %	10.44 %		0.28 %
BUSINESS METRICS							
Purchase volume[8]	$ 42,387	$ 49,339	$ 47,006	$ 47,276	$ 41,557	$ 830	2.0 %
Period-end loan receivables	$ 101,733	$ 102,988	$ 97,873	$ 94,801	$ 91,129	$ 10,604	11.6 %
Credit cards	$ 93,736	$ 97,043	$ 92,078	$ 89,299	$ 86,113	$ 7,623	8.9 %
Consumer installment loans	$ 5,957	$ 3,977	$ 3,784	$ 3,548	$ 3,204	$ 2,753	85.9 %
Commercial credit products	$ 1,912	$ 1,839	$ 1,879	$ 1,826	$ 1,690	$ 222	13.1 %
Other	$ 128	$ 129	$ 132	$ 128	$ 122	$ 6	4.9 %
Average loan receivables, including held for sale	$ 100,957	$ 99,683	$ 96,230	$ 92,489	$ 90,815	$ 10,142	11.2 %
Period-end active accounts (in thousands)[9]	70,754	73,484	70,137	70,269	68,589	2,165	3.2 %
Average active accounts (in thousands)[9]	71,667	71,526	70,308	69,517	69,494	2,173	3.1 %
LIQUIDITY							
Liquid assets							
Cash and equivalents	$ 20,021	$ 14,259	$ 15,643	$ 12,706	$ 15,303	$ 4,718	30.8 %
Total liquid assets	$ 21,929	$ 16,808	$ 17,598	$ 16,448	$ 18,778	$ 3,151	16.8 %
Undrawn credit facilities							
Undrawn credit facilities	$ 2,950	$ 2,950	$ 2,950	$ 2,950	$ 2,950	$ —	— %
Total liquid assets and undrawn credit facilities[10]	$ 24,879	$ 19,758	$ 20,548	$ 19,398	$ 21,728	$ 3,151	14.5 %
Liquid assets % of total assets	18.10 %	14.31 %	15.58 %	15.13 %	17.41 %		0.69 %
Liquid assets including undrawn credit facilities % of total assets	20.53 %	16.82 %	18.19 %	17.85 %	20.15 %		0.38 %

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

(10) Excludes available borrowing capacity related to unencumbered assets.

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

	Quarter Ended						
	Mar 31, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**1Q'24 vs. 1Q'23**	
Interest income:							
Interest and fees on loans	$ 5,293	$ 5,323	$ 5,151	$ 4,812	$ 4,616	$ 677	14.7 %
Interest on cash and debt securities	275	226	203	209	170	105	61.8 %
Total interest income	5,568	5,549	5,354	5,021	4,786	782	16.3 %
Interest expense:							
Interest on deposits	954	878	800	717	557	397	71.3 %
Interest on borrowings of consolidated securitization entities	105	99	86	78	77	28	36.4 %
Interest on senior unsecured notes	104	106	106	106	101	3	3.0 %
Total interest expense	1,163	1,083	992	901	735	428	58.2 %
Net interest income	4,405	4,466	4,362	4,120	4,051	354	8.7 %
Retailer share arrangements	(764)	(878)	(979)	(887)	(917)	153	(16.7)%
Provision for credit losses	1,884	1,804	1,488	1,383	1,290	594	46.0 %
Net interest income, after retailer share arrangements and provision for credit losses	1,757	1,784	1,895	1,850	1,844	(87)	(4.7)%
Other income:							
Interchange revenue	241	270	267	262	232	9	3.9 %
Protection product revenue	141	139	131	125	115	26	22.6 %
Loyalty programs	(319)	(369)	(358)	(345)	(298)	(21)	7.0 %
Other	1,094	31	52	19	16	1,078	NM
Total other income	1,157	71	92	61	65	1,092	NM
Other expense:							
Employee costs	496	538	444	451	451	45	10.0 %
Professional fees	220	228	219	209	186	34	18.3 %
Marketing and business development	125	138	125	133	131	(6)	(4.6)%
Information processing	186	190	177	179	166	20	12.0 %
Other	179	222	189	197	185	(6)	(3.2)%
Total other expense	1,206	1,316	1,154	1,169	1,119	87	7.8 %
Earnings before provision for income taxes	1,708	539	833	742	790	918	116.2 %
Provision for income taxes	415	99	205	173	189	226	119.6 %
Net earnings	$ 1,293	$ 440	$ 628	$ 569	$ 601	$ 692	115.1 %
Net earnings available to common stockholders	$ 1,282	$ 429	$ 618	$ 559	$ 590	$ 692	117.3 %

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

	Quarter Ended						
	Mar 31, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**Mar 31, 2024 vs. Mar 31, 2023**	
Assets							
Cash and equivalents	$ 20,021	$ 14,259	$ 15,643	$ 12,706	$ 15,303	$ 4,718	30.8 %
Debt securities	3,005	3,799	2,882	4,294	4,008	(1,003)	(25.0)%
Loan receivables:							
Unsecuritized loans held for investment	81,642	81,554	78,470	75,532	72,079	9,563	13.3 %
Restricted loans of consolidated securitization entities	20,091	21,434	19,403	19,269	19,050	1,041	5.5 %
Total loan receivables	101,733	102,988	97,873	94,801	91,129	10,604	11.6 %
Less: Allowance for credit losses	(10,905)	(10,571)	(10,176)	(9,804)	(9,517)	(1,388)	14.6 %
Loan receivables, net	90,828	92,417	87,697	84,997	81,612	9,216	11.3 %
Goodwill	1,073	1,018	1,105	1,105	1,105	(32)	(2.9)%
Intangible assets, net	800	815	680	717	768	32	4.2 %
Other assets	5,446	4,915	4,932	4,878	5,057	389	7.7 %
Assets held for sale	—	256	—	—	—	—	NM
Total assets	$ 121,173	$ 117,479	$ 112,939	$ 108,697	$ 107,853	$ 13,320	12.4 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 83,160	$ 80,789	$ 77,669	$ 75,344	$ 74,008	$ 9,152	12.4 %
Non-interest-bearing deposit accounts	394	364	397	421	417	(23)	(5.5)%
Total deposits	83,554	81,153	78,066	75,765	74,425	9,129	12.3 %
Borrowings:							
Borrowings of consolidated securitization entities	8,016	7,267	6,519	5,522	6,228	1,788	28.7 %
Senior and Subordinated unsecured notes	8,117	8,715	8,712	8,709	8,706	(589)	(6.8)%
Total borrowings	16,133	15,982	15,231	14,231	14,934	1,199	8.0 %
Accrued expenses and other liabilities	6,204	6,334	5,875	5,321	5,301	903	17.0 %
Liabilities held for sale	—	107	—	—	—	—	NM
Total liabilities	105,891	103,576	99,172	95,317	94,660	11,231	11.9 %
Equity:							
Preferred stock	1,222	734	734	734	734	488	66.5 %
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,768	9,775	9,750	9,727	9,705	63	0.6 %
Retained earnings	19,790	18,662	18,338	17,828	17,369	2,421	13.9 %
Accumulated other comprehensive income (loss)	(69)	(68)	(96)	(96)	(102)	33	(32.4)%
Treasury stock	(15,430)	(15,201)	(14,960)	(14,814)	(14,514)	(916)	6.3 %
Total equity	15,282	13,903	13,767	13,380	13,193	2,089	15.8 %
Total liabilities and equity	$ 121,173	$ 117,479	$ 112,939	$ 108,697	$ 107,853	$ 13,320	12.4 %

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

	Quarter Ended														
	Mar 31, 2024			Dec 31, 2023			Sep 30, 2023			Jun 30, 2023			Mar 31, 2023		
	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	$ 17,405	$ 236	5.45 %	$ 13,762	$ 188	5.42 %	$ 12,753	$ 172	5.35 %	$ 14,198	$ 178	5.03 %	$ 12,365	$ 140	4.59 %
Securities available for sale	3,432	39	4.57 %	3,895	38	3.87 %	3,706	31	3.32 %	3,948	31	3.15 %	4,772	30	2.55 %
Loan receivables, including held for sale:															
Credit cards	94,216	5,096	21.75 %	93,744	5,162	21.85 %	90,587	5,003	21.91 %	87,199	4,679	21.52 %	85,904	4,497	21.23 %
Consumer installment loans	4,734	149	12.66 %	3,875	116	11.88 %	3,656	108	11.72 %	3,359	94	11.22 %	3,103	83	10.85 %
Commercial credit products	1,878	45	9.64 %	1,934	42	8.62 %	1,861	38	8.10 %	1,808	36	7.99 %	1,697	34	8.13 %
Other	129	3	9.35 %	130	3	9.16 %	126	2	6.30 %	123	3	9.78 %	111	2	7.31 %
Total loan receivables, including held for sale	100,957	5,293	21.09 %	99,683	5,323	21.19 %	96,230	5,151	21.24 %	92,489	4,812	20.87 %	90,815	4,616	20.61 %
Total interest-earning assets	121,794	5,568	18.39 %	117,340	5,549	18.76 %	112,689	5,354	18.85 %	110,635	5,021	18.20 %	107,952	4,786	17.98 %
Non-interest-earning assets:															
Cash and due from banks	944			886			964			976			1,024		
Allowance for credit losses	(10,677)			(10,243)			(9,847)			(9,540)			(9,262)		
Other assets	6,973			6,616			6,529			6,330			6,128		
Total non-interest-earning assets	(2,760)			(2,741)			(2,354)			(2,234)			(2,110)		
Total assets	$ 119,034			$ 114,599			$ 110,335			$ 108,401			$ 105,842		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 82,598	$ 954	4.65 %	$ 78,892	$ 878	4.42 %	$ 75,952	$ 800	4.18 %	$ 74,812	$ 717	3.84 %	$ 72,216	$ 557	3.13 %
Borrowings of consolidated securitization entities	7,383	105	5.72 %	6,903	99	5.69 %	6,096	86	5.60 %	5,863	78	5.34 %	6,229	77	5.01 %
Senior and Subordinated unsecured notes	8,630	104	4.85 %	8,712	106	4.83 %	8,710	106	4.83 %	8,707	106	4.88 %	8,442	101	4.85 %
Total interest-bearing liabilities	98,611	1,163	4.74 %	94,507	1,083	4.55 %	90,758	992	4.34 %	89,382	901	4.04 %	86,887	735	3.43 %
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	390			379			401			420			411		
Other liabilities	5,419			5,652			5,418			5,164			5,130		
Total non-interest-bearing liabilities	5,809			6,031			5,819			5,584			5,541		
Total liabilities	104,420			100,538			96,577			94,966			92,428		
Equity															
Total equity	14,614			14,061			13,758			13,435			13,414		
Total liabilities and equity	$ 119,034			$ 114,599			$ 110,335			$ 108,401			$ 105,842		
Net interest income		$ 4,405			$ 4,466			$ 4,362			$ 4,120			$ 4,051	
Interest rate spread(1)			13.64 %			14.22 %			14.51 %			14.16 %			14.55 %
Net interest margin(2)			14.55 %			15.10 %			15.36 %			14.94 %			15.22 %

(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, 2024		Dec 31, 2023		Sep 30, 2023		Jun 30, 2023		Mar 31, 2023		Mar 31, 2024 vs. Mar 31, 2023	
BALANCE SHEET STATISTICS												
Total common equity	$	14,060	$	13,169	$	13,033	$	12,646	$	12,459	$	1,601	12.9 %
Total common equity as a % of total assets		11.60 %		11.21 %		11.54 %		11.63 %		11.55 %			0.05 %
Tangible assets	$	119,300	$	115,535	$	111,154	$	106,875	$	105,980	$	13,320	12.6 %
Tangible common equity[1]	$	12,187	$	11,225	$	11,248	$	10,824	$	10,586	$	1,601	15.1 %
Tangible common equity as a % of tangible assets[1]		10.22 %		9.72 %		10.12 %		10.13 %		9.99 %			0.23 %
Tangible common equity per share[1]	$	30.36	$	27.59	$	27.18	$	25.89	$	24.71	$	5.65	22.9 %
REGULATORY CAPITAL RATIOS[2][3]												
	Basel III - CECL Transition											
Total risk-based capital ratio[4]		15.8 %		14.9 %		15.7 %		15.7 %		15.9 %		
Tier 1 risk-based capital ratio[5]		13.8 %		12.9 %		13.6 %		13.6 %		13.8 %		
Tier 1 leverage ratio[6]		12.0 %		11.7 %		12.2 %		12.0 %		12.1 %		
Common equity Tier 1 capital ratio		12.6 %		12.2 %		12.8 %		12.8 %		13.0 %		

(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, 2024 are preliminary and therefore subject to change.

(3) Capital ratios reflect the phase-in of an estimate of CECL's effect on regulatory capital over a three-year transitional period beginning in the first quarter of 2022 through 2024. Capital ratios for 2024 and 2023 reflect 75% and 50%, respectively, of the phase-in of CECL effects.

(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.

SYNCHRONY FINANCIAL
PLATFORM RESULTS
(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**1Q'24 vs. 1Q'23**	
HOME & AUTO							
Purchase volume[1]	$ 10,512	$ 11,421	$ 12,273	$ 12,853	$ 10,863	$ (351)	(3.2)%
Period-end loan receivables	$ 32,615	$ 31,969	$ 31,648	$ 30,926	$ 29,733	$ 2,882	9.7 %
Average loan receivables, including held for sale	$ 31,865	$ 31,720	$ 31,239	$ 30,210	$ 29,690	$ 2,175	7.3 %
Average active accounts (in thousands)[2]	18,969	19,177	19,223	18,935	18,521	448	2.4 %
Interest and fees on loans	$ 1,382	$ 1,403	$ 1,367	$ 1,275	$ 1,225	$ 157	12.8 %
Other income	$ 33	$ 26	$ 28	$ 27	$ 25	$ 8	32.0 %
DIGITAL							
Purchase volume[1]	$ 12,628	$ 15,510	$ 13,808	$ 13,472	$ 12,261	$ 367	3.0 %
Period-end loan receivables	$ 27,734	$ 28,925	$ 26,685	$ 25,758	$ 24,944	$ 2,790	11.2 %
Average loan receivables, including held for sale	$ 28,081	$ 27,553	$ 26,266	$ 25,189	$ 24,982	$ 3,099	12.4 %
Average active accounts (in thousands)[2]	21,349	21,177	20,768	20,559	20,564	785	3.8 %
Interest and fees on loans	$ 1,567	$ 1,579	$ 1,530	$ 1,422	$ 1,363	$ 204	15.0 %
Other income	$ 6	$ (7)	$ (6)	$ (2)	$ 1	$ 5	NM
DIVERSIFIED & VALUE							
Purchase volume[1]	$ 14,023	$ 16,987	$ 15,445	$ 15,356	$ 13,439	$ 584	4.3 %
Period-end loan receivables	$ 19,559	$ 20,666	$ 18,865	$ 18,329	$ 17,702	$ 1,857	10.5 %
Average loan receivables, including held for sale	$ 19,593	$ 19,422	$ 18,565	$ 17,935	$ 17,713	$ 1,880	10.6 %
Average active accounts (in thousands)[2]	21,032	21,038	20,410	20,346	20,807	225	1.1 %
Interest and fees on loans	$ 1,214	$ 1,204	$ 1,168	$ 1,091	$ 1,070	$ 144	13.5 %
Other income	$ (17)	$ (30)	$ (28)	$ (21)	$ (14)	$ (3)	21.4 %
HEALTH & WELLNESS							
Purchase volume[1]	$ 3,980	$ 3,870	$ 3,990	$ 4,015	$ 3,690	$ 290	7.9 %
Period-end loan receivables	$ 15,065	$ 14,521	$ 14,019	$ 13,327	$ 12,581	$ 2,484	19.7 %
Average loan receivables, including held for sale	$ 14,697	$ 14,251	$ 13,600	$ 12,859	$ 12,309	$ 2,388	19.4 %
Average active accounts (in thousands)[2]	7,611	7,447	7,276	7,063	6,887	724	10.5 %
Interest and fees on loans	$ 869	$ 866	$ 844	$ 786	$ 735	$ 134	18.2 %
Other income	$ 66	$ 82	$ 74	$ 54	$ 61	$ 5	8.2 %
LIFESTYLE							
Purchase volume[1]	$ 1,244	$ 1,550	$ 1,490	$ 1,580	$ 1,302	$ (58)	(4.5)%
Period-end loan receivables	$ 6,604	$ 6,744	$ 6,483	$ 6,280	$ 5,971	$ 633	10.6 %
Average loan receivables, including held for sale	$ 6,631	$ 6,568	$ 6,383	$ 6,106	$ 5,919	$ 712	12.0 %
Average active accounts (in thousands)[2]	2,642	2,620	2,556	2,529	2,611	31	1.2 %
Interest and fees on loans	$ 255	$ 255	$ 249	$ 232	$ 223	$ 32	14.3 %
Other income	$ 8	$ 7	$ 8	$ 7	$ 7	$ 1	14.3 %
CORP, OTHER							
Purchase volume[1]	$ —	$ 1	$ —	$ —	$ 2	$ (2)	(100.0)%
Period-end loan receivables	$ 156	$ 163	$ 173	$ 181	$ 198	$ (42)	(21.2)%
Average loan receivables, including held for sale	$ 90	$ 169	$ 177	$ 190	$ 202	$ (112)	(55.4)%
Average active accounts (in thousands)[2]	64	67	75	85	104	(40)	(38.5)%
Interest and fees on loans	$ 6	$ 16	$ (7)	$ 6	$ —	$ 6	NM
Other income	$ 1,061	$ (7)	$ 16	$ (4)	$ (15)	$ 1,076	NM
TOTAL SYF							
Purchase volume[1]	$ 42,387	$ 49,339	$ 47,006	$ 47,276	$ 41,557	$ 830	2.0 %
Period-end loan receivables	$ 101,733	$ 102,988	$ 97,873	$ 94,801	$ 91,129	$ 10,604	11.6 %
Average loan receivables, including held for sale	$ 100,957	$ 99,683	$ 96,230	$ 92,489	$ 90,815	$ 10,142	11.2 %
Average active accounts (in thousands)[2]	71,667	71,526	70,308	69,517	69,494	2,173	3.1 %
Interest and fees on loans	$ 5,293	$ 5,323	$ 5,151	$ 4,812	$ 4,616	$ 677	14.7 %
Other income	$ 1,157	$ 71	$ 92	$ 61	$ 65	$ 1,092	NM

(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) 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, 2024	**Dec 31, 2023**	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**
COMMON EQUITY AND REGULATORY CAPITAL MEASURES[(2)]					
GAAP Total equity	$ 15,282	$ 13,903	$ 13,767	$ 13,380	$ 13,193
Less: Preferred stock	(1,222)	(734)	(734)	(734)	(734)
Less: Goodwill	(1,073)	(1,105)	(1,105)	(1,105)	(1,105)
Less: Intangible assets, net	(800)	(839)	(680)	(717)	(768)
Tangible common equity	$ 12,187	$ 11,225	$ 11,248	$ 10,824	$ 10,586
Add: CECL transition amount	573	1,146	1,146	1,146	1,146
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	225	229	255	255	258
Common equity Tier 1	$ 12,985	$ 12,600	$ 12,649	$ 12,225	$ 11,990
Preferred stock	1,222	734	734	734	734
Tier 1 capital	$ 14,207	$ 13,334	$ 13,383	$ 12,959	$ 12,724
Add: Subordinated debt	741	741	741	741	740
Add: Allowance for credit losses includible in risk-based capital	1,399	1,389	1,322	1,282	1,239
Total Risk-based capital	$ 16,347	$ 15,464	$ 15,446	$ 14,982	$ 14,703
ASSET MEASURES[(2)]					
Total average assets	$ 119,034	$ 114,599	$ 110,335	$ 108,401	$ 105,842
Adjustments for:					
Add: CECL transition amount	573	1,146	1,146	1,146	1,146
Less: Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,631)	(1,671)	(1,507)	(1,537)	(1,564)
Total assets for leverage purposes	$ 117,976	$ 114,074	$ 109,974	$ 108,010	$ 105,424
Risk-weighted assets	$ 103,242	$ 103,460	$ 98,451	$ 95,546	$ 92,379
CECL FULLY PHASED-IN CAPITAL MEASURES					
Tier 1 capital	$ 14,207	$ 13,334	$ 13,383	$ 12,959	$ 12,724
Less: CECL transition adjustment	(573)	(1,146)	(1,146)	(1,146)	(1,146)
Tier 1 capital (CECL fully phased-in)	$ 13,634	$ 12,188	$ 12,237	$ 11,813	$ 11,578
Add: Allowance for credit losses	10,905	10,571	10,176	9,804	9,517
Tier 1 capital (CECL fully phased-in) + Reserves for credit losses	$ 24,539	$ 22,759	$ 22,413	$ 21,617	$ 21,095
Risk-weighted assets	$ 103,242	$ 103,460	$ 98,451	$ 95,546	$ 92,379
Less: CECL transition adjustment	(290)	(580)	(580)	(580)	(580)
Risk-weighted assets (CECL fully phased-in)	$ 102,952	$ 102,880	$ 97,871	$ 94,966	$ 91,799
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 35.03	$ 32.36	$ 31.50	$ 30.25	$ 29.08
Less: Goodwill	(2.68)	(2.72)	(2.67)	(2.65)	(2.58)
Less: Intangible assets, net	(1.99)	(2.05)	(1.65)	(1.71)	(1.79)
Tangible common equity per share	$ 30.36	$ 27.59	$ 27.18	$ 25.89	$ 24.71

(1) Regulatory measures at March 31, 2024 are preliminary and therefore subject to change.

(2) Capital ratios reflect the phase-in of an estimate of CECL's effect on regulatory capital over a three-year transitional period beginning in the first quarter of 2022 through 2024. Capital ratios for 2024 and 2023 reflect 75% and 50%, respectively, of the phase-in of CECL effects.

SYNCHRONY FINANCIAL
RECONCILIATION OF NON-GAAP MEASURES (Continued)
(unaudited, $ in millions, except per share statistics)

ADJUSTED FINANCIAL MEASURES	Quarter Ended Mar 31, 2024
Net revenue:	
Net revenue	$ 4,798
Less: Pets Best pre-tax gain on sale included in Other income	(1,069)
Adjusted Net revenue	$ 3,729
Net earnings:	
Net earnings	$ 1,293
Less: Pets Best gain on sale after-tax	(802)
Adjusted Net earnings	$ 491
Preferred dividends	(11)
Adjusted Net earnings available to common stockholders	$ 480
Diluted earnings per share:	
Diluted earnings per share	$ 3.14
Less: Pets Best gain on sale impact	(1.96)
Adjusted Diluted earnings per share	$ 1.18
Return on assets:	
Return on assets(1)	4.4 %
Less: Pets Best gain on sale impact	(2.7)%
Adjusted Return on assets	1.7 %
Return on equity:	
Return on equity(2)	35.6 %
Less: Pets Best gain on sale impact	(21.8)%
Adjusted Return on equity	13.8 %
Return on tangible common equity:	
Return on tangible common equity(3)	43.6 %
Less: Pets Best gain on sale impact	(26.8)%
Adjusted Return on tangible common equity	16.8 %
Efficiency ratio:	
Efficiency Ratio(4)	25.1 %
Less: Pets Best gain on sale impact	7.2 %
Adjusted Efficiency ratio	32.3 %

(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) Efficiency ratio represents (i) other expense, divided by (ii) net interest income, plus other income, less retailer share arrangements.