synchrony

# 2025 Annual Report

## Dear Synchrony Stakeholders,

# Credit makes America work. It fuels business growth and empowers individuals and families to live better, more fulfilling lives.

At Synchrony, this is our business—and our commitment. As a leading provider of consumer financial services, we stand at the heart of American commerce and opportunity, partnering with businesses of all sizes to responsibly extend credit that opens doors, builds pathways and creates stronger financial futures for millions of Americans.

In 2025, we continued to advance this important mission—and our business—by partnering with large national brands and small and midsize businesses that power local economies at more than 500,000 partner locations.

Access to credit fuels economic participation, resilience and upward mobility. That's why we continue to invest in new capabilities across financing products, point-of-sale integration, digital experiences and our in-house credit decisioning system that helps us say "yes" to more creditworthy Americans often overlooked by the traditional credit system.

Our more than 19,000 talented employees are the foundation of this success. Operating with discipline, accountability and purpose, they do work that matters. I am so proud of the role we play and the results our team has achieved, which helped us earn the #1 ranking on the 2026 Best Companies to Work For® list, as recognized by Fortune and Great Place to Work®.

## Our 2025 Financial Results: Earnings Growth, Credit Discipline and Capital Strength

Synchrony delivered strong results in 2025 amidst evolving market conditions. We added more than 20 million new accounts, engaged nearly 70 million existing customers and generated more than $182 billion in sales for our partners, merchants and providers.

We generated full-year net earnings of $3.6 billion, or $9.28 per diluted share, and a return on average assets of 3.0%, while at the same time improving our credit trajectory through disciplined underwriting and the effectiveness of prior credit actions. Our full-year net charge-off rate returned to our long-term target range of 5.5% to 6%.

Synchrony's funding, capital and liquidity continued to provide a strong foundation for our business. Deposits in Synchrony Bank were $81.1 billion and comprised 84% of our total funding at year-end, underscoring the strength and stability of our balance sheet.

Through strong execution and prudent capital management, we returned $3.3 billion to shareholders in 2025, including $2.9 billion in share repurchases and $427 million in common stock dividends, continuing our long history of capital returns and reflecting confidence in our strategy and long-term value creation opportunities.

These results demonstrate the durability of our business model, the power of our partnerships and the importance of responsible credit as a catalyst for growth and opportunity for millions of people. We are confident in our strategy to grow sustainably and produce attractive risk-adjusted returns, while providing value to our shareholders in the short- and long-term.

## Expanding Strategic Partnerships and Driving Sales Growth

During the year, we added or renewed more than 75 partners, including two of our top five partners and seven of our top 20. This growth spanned national brands and local businesses alike, including Amazon, American Eagle, Ashley HomeStores, Bob's Discount Furniture, Polaris and OnePay with Walmart.

Our top five partners are renewed through 2030 and beyond, and 22 of our 25 largest partner programs, which represent 97% of total interest and fees from these programs, are renewed through 2028 or beyond. This reflects the trust our partners place in Synchrony and our ability to deliver compelling value for people and businesses.

That trust was reflected in one of our most significant milestones of the year: winning and launching the OnePay program with Walmart—in record time. This partnership showcases our ability to co-create innovative financial solutions, with Synchrony's credit capabilities seamlessly embedded and integrated into OnePay's digital ecosystem. Since its September debut, it has become the fastest-growing new program in our history, offering a compelling value proposition for Walmart customers.

We also extended our relationship with Amazon, the world's largest online retailer, and expanded our offerings at PayPal by adding a physical PayPal credit card to our PayPal Credit portfolio.

Additionally, we expanded our 45-year partnership with Lowe's, one of our largest and longest-standing partners, by acquiring their commercial co-branded portfolio. This addition complements our existing private label card relationship and extends Synchrony's reach into the professional contractor and business customer segments, a natural adjacency that leverages our expertise in home improvement financing while opening new avenues for growth.

## Competitive Advantage: Multi-Product Financing and Advanced Credit Decisioning

Our partners choose Synchrony for the breadth and flexibility of our financing solutions, our advanced technologies and integration capabilities, our credit decisioning approach and how seamlessly we bring these together.

Synchrony's multi-product strategy continues to perform exceptionally well by providing partners the flexibility to offer the right solutions at the right time from private label and co-brand cards to promotional financing and buy now, pay later. These options offer customers choice based on their needs, while delivering incremental sales to our partners.

That multi-product flexibility is translating into strong results, particularly as we expanded Synchrony Pay Later to more than 6,200 merchant locations. Our data shows that when Pay Later and revolving products are offered together, partners experience an average sales lift of at least 10%. Importantly, Pay Later accounts often represent net-new customers, expanding our base rather than cannibalizing existing products. Over time, customers migrate from installment products to private label and ultimately to co-brand. This progression can deepen their relationship with Synchrony while responsibly expanding access to credit.

Powering all of this is Synchrony PRISM, our advanced credit decisioning platform that looks beyond a single credit score. While others rely primarily on a three-digit credit score to make decisions, PRISM ingests thousands of signals in seconds to deliver more precise, inclusive and responsible decisions. We do so while maintaining portfolio performance within our long-term credit targets. By seeing a fuller picture and leveraging anonymized data from nearly 70 million customers and more than 500,000 partner locations, PRISM helps us provide financing to more creditworthy Americans and reinforces confidence in our underwriting discipline.

And we continue to innovate and make PRISM even smarter. For example, we implemented cash flow underwriting to expand our ability to assess creditworthiness for a broader range of consumers. When an application falls into a gray area, PRISM moves it to a referral path rather than an automatic decline and seeks additional context. With a customer's permission, we securely link to their bank account to assess the stability of income and expenses, surfacing responsible customers with thin credit files or no scores, all within our risk guardrails. This allows us to approve more consumers who might otherwise be turned away, and we're scaling this capability across our portfolio in 2026.

We also acquired Versatile Credit in 2025, a platform that connects applicants to alternate lending products with secondary and tertiary lenders. This allows us to extend financing options to help even more people access and build credit, while driving additional sales for our partners and remaining disciplined in the risk-adjusted returns we achieve.

The impact of credit access is critical to the hundreds of thousands of small and midsize businesses and health and wellness providers that accept our products. When we help a consumer qualify for credit, we are also supporting the shop owner, the dental practice and the home improvement contractor who depend on that sale.

Our partner relationships and financing solutions help more Americans access credit they can use responsibly, support the businesses that depend on customers being able to buy, and strengthen local economies by expanding participation.

## Digital Innovation: Embedded Finance, Wallet Growth and AI Integration

Our products, capabilities and underwriting are core to our competitive differentiation. Equally important is how we deliver them through the customer experience. As commerce increasingly begins and ends in digital environments, we're investing to meet customers wherever they are: in-store, on product pages, in search results, in wallets and within partner apps. And as the landscape evolves, we're developing new capabilities for what comes next, including agentic commerce experiences.

Our investments are deepening Synchrony's role across the consumer finance and payments ecosystem. Over the last year, we have empowered customers with more dynamic access and choice through our website, our native app and Synchrony's Marketplace, which features our AI search capability, Joy Hunt. Enhancements across these channels contributed to an 18% increase in total visits and 17% more sales in 2025.

We more than doubled both the number of unique digital wallet accounts and the amount of digital wallet sales compared to last year. This growth also contributed to a 400-basis-point gain in Synchrony's wallet penetration for co-brand cards, including Dual Card programs. This improves product stickiness and supports mobile wallet share as we invest to ensure our products are available wherever customers want to use them.

We also expanded our embedded financing through new third-party platform partners that make it easier for merchants and providers to offer financing to their customers. We have more than 50 merchant and practice management platforms across our Home & Auto and Health & Wellness platforms, placing financing at the moment of decision to help small and midsize businesses convert more sales, while giving customers frictionless access to payment options. Recent additions in 2025 include Adobe Commerce, which powers online storefronts and order management for merchants; Payzer, a field service management platform for residential contractors; Weave, supporting more than 35,000 practices across dental, cosmetic, vision and vet; and Dental Intelligence, used by more than 9,000 dental practices.

By almost any account, our execution in 2025 has positioned us well: our investments drove greater reach, deeper penetration and broader utility, allowing us to build enduring relationships with a diverse range of merchants, providers and consumers.

And we aren't resting. We're driving two simultaneous transformations: agentic commerce, where AI agents will increasingly influence purchasing decisions, and AI at work, where AI is redefining how businesses operate, serve customers and grow.

On agentic commerce, we are capitalizing on our years of expertise in consumer financing and proven AI implementations to prepare our offerings and our partners for this future, just as we helped them navigate the rise of e-commerce and mobile wallets. We're partnering with Mastercard, Visa, Google, leading AI providers and major retailers to drive industry standards, aimed at ensuring agents can discover our brand partners and the financing that sets them apart, no matter who is doing the shopping: a person or an AI agent on their behalf. And we're building our own Synchrony Agent within the Synchrony Marketplace to provide us with real-world experience as we look to extend our products and capabilities, and our partners' brands, across the agentic ecosystem.

On AI at work, we are investing resources and moving with speed to transform and rewire Synchrony's operations. We are deploying generative AI, advanced models and AI agents across customer and merchant experience, marketing, products, capabilities, coding, software development and so much more. Our goal is to unlock new levels of productivity, insight and experience to continue to serve our customers and partners, and drive growth.

At the core of these transformations is trust, and we work hard to earn it in everything we do. That's why we're pairing innovation and speed with clear governance, and investing in upskilling so our teams can use these tools confidently and responsibly. That investment is translating into real impact, with adoption of generative AI tools reaching 95% among our exempt employees as of early 2026.

## Talent, Culture and Recognition: A Top Workplace in the Country

These results—a strong 2025 and a foundation for future growth—are possible because we have the best team in the business.

Synchrony's culture, built on listening, trust and accountability, remains a powerful competitive advantage. Our employees co-create how we work, innovate for our partners and customers, and support one another. We promote flexibility and choice for our teams while driving performance and accountability, as evidenced by our results.

That strong culture helped Synchrony earn the #1 spot on the 2026 Best Companies to Work For® list, as recognized by Fortune and Great Place to Work®, with 94% of employees saying Synchrony is a great place to work. Five years ago, we were ranked #37. We made a deliberate decision to change that by building a better workplace, not simply to climb the list, but to drive business results, move faster, innovate at scale and deliver even more for our partners and customers.

Those results are clear: business performance is strong, engagement remains high, attrition remains low and we continue to attract top talent across the industry. Synchrony's culture is resonating in a competitive talent market and in the results we are delivering for our customers, partners and company.

Our culture also emphasizes giving back to the community. Through our Education as an Equalizer initiative, we support education, skills training and financial literacy across the country. In 2025, we launched Empowering Financial Futures, which expands financial literacy and opportunity through investments in nonprofit organizations that help train public educators who teach personal finance classes to students nationwide. As part of this effort, we are launching the Synchrony Financial Literacy Service Corps, which will enable Synchrony employees to volunteer across the U.S. to train teachers, community leaders and business partners in personal finance topics.

These programs are an investment in financial smarts as a life skill and serve a dual purpose: supporting the communities where we live and work, while aligning to our broader mission of expanding credit access so people can responsibly access what they want, while building healthier financial lives. In turn, we drive growth for our partners and the U.S. economy.

# Looking Ahead: Sustainable Growth and Long-Term Value Creation

## Synchrony is operating from a position of strength.

We have renewed and expanded nearly all our large partnerships, invested in differentiated products and digital capabilities, and maintained disciplined credit performance while advancing our credit decisioning capabilities as market and macroeconomic conditions have evolved.

We continue to expand our multi-product strategy across our programs to drive financing flexibility and utility, and we are excited to scale new programs.

Overall, Synchrony is building on our momentum. We have primed our business for strong, risk-adjusted growth as conditions allow, and our robust capital generation capability will support continued investment in our long-term value creation opportunities while allowing us to return capital to shareholders along the way.

None of this would be possible without our people, our partners, our customers, our communities and you, our shareholders. To each of you, thank you for your trust and confidence in Synchrony.

We remain committed to our purpose: to help people access their everyday wants and needs while building healthier financial lives, and to support our partners' business growth—while being responsible and essential to the people, communities and stakeholders we serve.

Synchrony sits at the heart of American commerce and opportunity, and I'm proud of what our team achieved in 2025 to strengthen that role. With the right business model, expertise, technology and financial strength, we are positioned for enduring success.

**Brian Doubles**
President and CEO

# Financial Highlights

For the years ended, and at, December 31
*(in millions unless otherwise stated except for per share data and ratios)*

| Financial Highlights | | 2025 | | 2024 | | 2023 |
|---|---|---|---|---|---|---|
| Net interest income | $ | 18,466 | $ | 18,011 | $ | 16,999 |
| Interest and fees on loans | $ | 21,698 | $ | 21,596 | $ | 19,902 |
| Net earnings | $ | 3,552 | $ | 3,499 | $ | 2,238 |
| Diluted earnings per share | $ | 9.28 | $ | 8.55 | $ | 5.19 |
| Shares outstanding [1] | | 373.9 | | 400.6 | | 423.5 |
| **Period End** | | | | | | |
| Total assets | $ | 119,095 | $ | 119,463 | $ | 117,479 |
| Loan receivables | $ | 103,808 | $ | 104,721 | $ | 102,988 |
| Deposits | $ | 81,114 | $ | 82,062 | $ | 81,153 |
| Common equity Tier 1 capital ratio | | 12.6% | | 13.3% | | 12.2% |
| **Performance Metrics** | | | | | | |
| Purchase volume (in billions) [2] | $ | 182.3 | $ | 182.2 | $ | 185.2 |
| Period-end active accounts (in thousands) [3] | $ | 70,693 | $ | 71,532 | $ | 73,484 |
| Average active accounts (in thousands) [3] | $ | 68,876 | $ | 70,904 | $ | 70,337 |
| Net interest margin [4] | | 15.24% | | 14.76% | | 15.15% |
| Net charge-off rate [5] | | 5.65% | | 6.31% | | 4.87% |
| 30+ delinquency rate [6] | | 4.49% | | 4.70% | | 4.74% |
| Efficiency ratio [7] | | 34.3% | | 30.0% | | 34.9% |
| Return on assets [8] | | 3.0% | | 2.9% | | 2.0% |

[1] Diluted weighted average common shares outstanding.

[2] 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. Purchase volume includes activity related to our portfolios classified as 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. Includes activity and accounts associated with loan receivables held for sale.

[4] Net interest margin represents net interest income divided by average total interest-earning assets.

[5] Net charge-off rate represents net charge-offs as a percentage of average loan receivables, including those held for sale.

[6] Based on customer statement-end balances extrapolated to the respective period-end date.

[7] Efficiency ratio is calculated as Total Other expense divided by sum of Net interest income plus Other income less Retailer share arrangements (RSA).

[8] Return on assets represents net earnings as a percentage of average total assets.

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