

Synchrony Financial
Form 424B5
August 24, 2016
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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-200374**

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they solicit an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 24, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT

TO THE PROSPECTUS DATED DECEMBER 11, 2014

\$

Floating Rate Senior Notes due 2017

We are offering \$ _____ aggregate principal amount of Floating Rate Senior Notes due 2017. The notes offered hereby constitute an additional issuance of our Floating Rate Senior Notes due 2017, \$500.0 million aggregate principal amount of which were previously issued and are outstanding. The notes offered hereby will be fungible and form a single series with the outstanding Floating Rate Senior Notes due 2017 for all purposes and are referred to herein, together with such outstanding notes, as the _____ notes.

Interest on the notes is payable quarterly in arrears on February 9, May 9, August 9 and November 9 of each year, with the first payment of interest on the notes offered hereby on November 9, 2016. The notes will mature on November 9, 2017. The notes are not redeemable prior to maturity.

The notes are our senior, unsecured obligations and rank equally in right of payment with all of our other unsecured and unsubordinated obligations from time to time outstanding. The notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The notes are not and will not be listed on any securities exchange or quoted on any automated quotation system. An active trading market for the notes may not exist.

Investing in the notes involves risks. See **Risk Factors** beginning on page S-10.

	Per Note	Total
Price to public ⁽¹⁾	%	\$
Underwriting discount	%	\$
Proceeds to us ⁽¹⁾	%	\$

(1) Plus accrued interest from and including August 9, 2016 to, but not including, the issuance date of the notes offered hereby, in the amount of \$.

Neither the Securities and Exchange Commission (the SEC) nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes offered hereby to purchasers in book-entry form only through The Depository Trust Company, for the benefit of its participants, including Clearstream Banking S.A. and Euroclear Bank S.A./N.V., on or about August , 2016.

Joint Book-Running Managers

J.P. Morgan

Morgan Stanley

August , 2016

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains the specific terms of this offering of notes. The second part, the accompanying prospectus dated December 11, 2014, which is part of our Registration Statement on Form S-3, gives more general information, some of which may not apply to this offering.

This prospectus supplement and the information incorporated by reference in this prospectus supplement may add, update or change information contained in the accompanying prospectus. If there is any inconsistency between the information in this prospectus supplement and the information contained in the accompanying prospectus, the

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information in this prospectus supplement will apply and will supersede any such information in the accompanying prospectus.

In making your investment decision, it is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus relating to this offering prepared by us or on our behalf or to which we have referred you. You should also read and consider the information in the documents to which we have referred you in **Where You Can Find More Information** in the accompanying prospectus.

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Neither we nor any of the underwriters has authorized anyone to provide any information other than that contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus relating to this offering prepared by us or on our behalf or to which we have referred you. We and the underwriters take no responsibility for, and provide no assurance as to the reliability of, any other information that others may give you.

Neither we nor any of the underwriters is making an offer to sell or soliciting offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may provide you in connection with this offering or other offering material filed by us with the SEC is accurate only as of the date of those documents or information, regardless of the time of delivery of the documents or information or the time of any sale of the securities. Our business, financial condition, results of operations and future growth prospects may have changed since those dates.

For investors outside the United States: Neither we nor any of the underwriters has done anything that would permit this offering or possession or distribution of this prospectus supplement, the accompanying prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus supplement, the accompanying prospectus and any such free writing prospectus outside of the United States.

Certain Defined Terms

Except as the context may otherwise require in this prospectus supplement, references to:

we, us, our and the Company are to SYNCHRONY FINANCIAL and its subsidiaries;

Synchrony are to SYNCHRONY FINANCIAL only;

the Bank are to Synchrony Bank (a wholly-owned subsidiary of Synchrony);

GE are to General Electric Company and its subsidiaries; and

FICO score are to a credit score developed by Fair Isaac & Co., which is widely used as a means of evaluating the likelihood that credit users will pay their obligations.

For a description of certain other terms we use, including active account and purchase volume, see the notes to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Other Financial and Statistical Data in our Annual Report on Form 10-K for the year ended December 31, 2015. There is no standard industry definition for many of these terms, and other companies may define them differently than we do.

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, which, in our business and in this prospectus, we refer to as our partners. The terms of the programs all require cooperative efforts between us and our partners of varying natures and degrees to establish and operate the programs. Our use of the term partners to refer to these entities is not intended to, and does not, describe our legal relationship with them, imply that a legal partnership or other relationship exists between the parties or create any legal partnership or other relationship.

Synchrony and its logos and other trademarks referred to in this prospectus supplement, including Dual CardsTM and CareCredit[®], belong to us. Solely for convenience, we refer to our trademarks in this prospectus supplement without the TM and [®] symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our trademarks. Other service marks, trademarks and trade names referred to in this prospectus supplement are the property of their respective owners.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and may not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the information set forth in Risk Factors, our combined financial statements and the related notes thereto and the other information incorporated by reference herein, before making an investment decision.

Our Company

We are one of the premier consumer financial services companies in the United States. 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⁽¹⁾. 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, which we refer to as our partners. Through our partners over 350,000 locations across the United States and Canada, and their websites and mobile applications, we offer their customers a variety of credit products to finance the purchase of goods and services. During 2015 and the six months ended June 30, 2016, we financed \$113.6 billion and \$58.5 billion of purchase volume, respectively, and at June 30, 2016, we had \$68.3 billion of loan receivables and 66.5 million active accounts. Our active accounts represent a geographically diverse group of both consumers and businesses, with an average FICO score of 715 for consumer active accounts at June 30, 2016. For the years ended December 31, 2015 and 2014, we had net earnings of \$2.2 billion and \$2.1 billion, respectively, representing a return on assets of 2.9% and 3.2%, respectively, and for the six months ended June 30, 2016, we had net earnings of \$1.1 billion, representing an annualized return on assets of 2.6%.

Our business benefits from longstanding and collaborative relationships with our partners, including some of the nation's leading retailers and manufacturers with well-known consumer brands, such as Lowe's, Walmart, Amazon and Ethan Allen. We believe our partner-centric business model has been successful because it aligns our interests with those of our partners and provides substantial value to both our partners and our customers. Our partners promote our credit products because they generate increased sales and strengthen customer loyalty. Our customers benefit from instant access to credit, discounts and promotional offers. We seek to differentiate ourselves through deep partner integration and our extensive marketing expertise. We have omni-channel (in-store, online and mobile) technology and marketing capabilities, which allow us to offer and deliver our credit products instantly to customers across multiple channels. For example, the purchase volume from our online and mobile channels increased by 27% for the three months ended June 30, 2016 compared to the same period in 2015.

We offer our credit products primarily through our wholly-owned subsidiary, the Bank. Through the Bank, we offer, directly to retail and commercial customers, a range of deposit products insured by the Federal Deposit Insurance Corporation (FDIC), including certificates of deposit, individual retirement accounts, money market accounts and savings accounts. We also take deposits at the Bank through third-party securities brokerage firms that offer our FDIC-insured deposit products to their customers. We have expanded and continue to expand our online direct banking operations to increase our deposit base as a source of stable and diversified low cost funding for our credit activities. We had \$46.4 billion in deposits at June 30, 2016.

Our revenue activities are managed through three sales platforms: Retail Card, Payment Solutions and CareCredit. Retail Card is a leading provider of private label credit cards, and also provides Dual Cards and small- and medium-sized business credit products. Payment Solutions is a leading provider of promotional

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(1) Statement that we are the largest provider of private label credit cards in the United States based on purchase volume and receivables is based on issue number 1,087 of The Nilson Report, a subscription-based industry newsletter, dated May 2016 (based on 2015 data).

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financing for major consumer purchases, offering primarily private label credit cards and installment loans. CareCredit is a leading provider of promotional financing to consumers for elective healthcare procedures, products or services, such as dental, veterinary, cosmetic, vision and audiology.

Additional Information

Our corporate headquarters and principal executive offices are located at 777 Long Ridge Road, Stamford, Connecticut 06902. Our telephone number at that address is (203) 585-2400. Our internet address is www.synchronyfinancial.com. Information on, or accessible through, our website is not part of this prospectus supplement or the accompanying prospectus.

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The Offering

Issuer	SYNCHRONY FINANCIAL
Notes Offered	\$ aggregate principal amount of Floating Rate Senior Notes due 2017. The notes offered hereby constitute an additional issuance of our Floating Rate Senior Notes due 2017, \$500.0 million aggregate principal amount of which were previously issued and are outstanding. The notes offered hereby will be fungible and form a single series with the outstanding Floating Rate Senior Notes due 2017 for all purposes.
Maturity Date	The notes will mature on November 9, 2017.
Interest Rate	Interest on the notes accrues at a rate of three-month LIBOR, reset on a quarterly basis, plus 1.400% per year.
Interest Payment Dates	Interest on the notes is payable quarterly in arrears on February 9, May 9, August 9 and November 9 of each year, with the first payment of interest on the notes offered hereby on November 9, 2016.
Ranking	<p>The notes rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations, and senior in right of payment to all of our existing and future indebtedness that is expressly subordinated to the notes. The notes are not obligations of or guaranteed by any of our subsidiaries. As a result, the notes are structurally subordinated to all indebtedness and other liabilities of our subsidiaries (including deposit liabilities of the Bank), as well as the indebtedness and other liabilities of our securitization entities, which means that creditors of our subsidiaries (including depositors of the Bank) and our securitization entities will be paid from their respective assets before holders of the notes would have any claims to those assets. As of June 30, 2016, we had \$7.1 billion of indebtedness that ranked equally with the notes, and our subsidiaries and securitization entities had outstanding \$61.2 billion of total liabilities, including \$58.7 billion of indebtedness and deposit liabilities (excluding, in each case, intercompany liabilities).</p> <p>The indenture under which the notes offered hereby will be issued does not limit our ability, or the ability of our subsidiaries, to incur senior, subordinated or secured debt, or our ability, or that of any of our subsidiaries, to incur other indebtedness and other liabilities or, subject to</p>

limited exceptions, issue preferred stock. As a holding company, we depend on the ability of our subsidiaries, particularly the Bank, to transfer funds to us to meet our obligations, including our obligations to pay amounts on the notes. See Risk Factors Risks Relating to This Offering We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank to fund payments on the notes in this prospectus supplement.

Optional Redemption

The notes are not redeemable prior to maturity.

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Sinking Fund	None.
Denominations	The notes offered hereby will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
Form of Notes	The notes offered hereby will be issued in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). Beneficial interests in the notes are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking S.A. and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective United States depositaries, which in turn will hold such interests in accounts as participants of DTC.
Use of Proceeds	We estimate that the net proceeds to us from the sale of the notes in this offering will be \$, after deducting the underwriting discount and estimated offering expenses (but excluding accrued interest of approximately \$). We intend to use the net proceeds from this offering for general corporate purposes. See Use of Proceeds.
Trustee	The Bank of New York Mellon
Governing Law	The notes offered hereby and the indenture are governed by and construed in accordance with the laws of the State of New York.
No Prior Market	The notes are not and will not be listed on any securities exchange. An active trading market for the notes may not exist. See Underwriting.
Risk Factors	See the section entitled Risk Factors beginning on page S-10 and under the caption Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended (the Exchange Act), including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof, for a discussion of some of the factors you should consider before investing in the notes.

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Summary Historical Financial Information

The following tables set forth selected historical consolidated and combined financial information. The selected historical consolidated financial information at June 30, 2016 and for the six months ended June 30, 2016 and 2015 is unaudited and has been derived from our unaudited historical condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which is incorporated by reference in this prospectus supplement. The selected historical consolidated and combined financial information at December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 has been derived from our historical consolidated and combined financial statements, which have been audited by KPMG LLP and are included in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference in this prospectus supplement. The selected historical combined financial information at December 31, 2013 and 2012 and for the years ended December 31, 2012 and 2011 has been derived from our audited historical combined financial information not included or incorporated by reference in this prospectus supplement. The selected historical combined financial information at December 31, 2011 is unaudited and has been derived from our historical combined financial information not included or incorporated by reference in this prospectus supplement.

The results for the six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the full year. Additionally, our historical results are not necessarily indicative of the results expected for any future period. You should read this information in conjunction with the information under Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical condensed consolidated and/or combined financial statements and the related notes thereto, which are included in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our subsequent Quarterly Reports on Form 10-Q, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

Synchrony is a holding company for the legal entities that historically conducted GE's North American retail finance business. Synchrony was incorporated in Delaware on September 12, 2003, but prior to April 1, 2013, conducted no business. During the period from April 1, 2013 to September 30, 2013, as part of a regulatory restructuring, substantially all of the assets and operations of GE's North American retail finance business, including the Bank, were transferred to Synchrony. The remaining assets and operations of that business subsequently were transferred to Synchrony.

For periods prior to June 30, 2014, we have prepared our historical combined financial statements as if Synchrony had conducted GE's North American retail finance business throughout all relevant periods. Our historical combined financial information and statements include the assets, liabilities and operations of GE's North American retail finance business.

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(\$ in millions, except per share data)	Six Months Ended June 30,		Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011 ⁽¹⁾
Interest income	\$ 7,035	\$ 6,327	\$ 13,228	\$ 12,242	\$ 11,313	\$ 10,309	\$ 9,141
Interest expense	614	545	1,135	922	742	745	932
Net interest income	6,421	5,782	12,093	11,320	10,571	9,564	8,209
Retailer share arrangements	(1,334)	(1,281)	(2,738)	(2,575)	(2,373)	(1,984)	(1,428)
Net interest income, after retailer share arrangements	5,087	4,501	9,355	8,745	8,198	7,580	6,781
Provision for loan losses	1,924	1,427	2,952	2,917	3,072	2,565	2,258
Net interest income, after retailer share arrangements and provision for loan losses	3,163	3,074	6,403	5,828	5,126	5,015	4,523
Other income	175	221	392	485	500	484	497
Other expense	1,639	1,551	3,264	2,927	2,484	2,123	2,010
Earnings before provision for income taxes	1,699	1,744	3,531	3,386	3,142	3,376	3,010
Provision for income taxes	628	651	1,317	1,277	1,163	1,257	1,120
Net earnings	\$ 1,071	\$ 1,093	\$ 2,214	\$ 2,109	\$ 1,979	\$ 2,119	\$ 1,890
Weighted average shares outstanding (in millions)							
Basic	833.9	833.8	833.8	757.4	705.3	705.3	705.3
Diluted	835.8	835.2	835.5	757.6	705.3	705.3	705.3
Earnings per share							
Basic	\$ 1.28	\$ 1.31	\$ 2.66	\$ 2.78	\$ 2.81	\$ 3.00	\$ 2.68
Diluted	\$ 1.28	\$ 1.31	\$ 2.65	\$ 2.78	\$ 2.81	\$ 3.00	\$ 2.68

Table of Contents**Condensed Consolidated and Combined Statements of Financial Position Information**

	At June 30,		At December 31,			2011
	2016	2015	2014	2013	2012	(Unaudited)
<i>(\$ in millions)</i>						
Assets:						
Cash and equivalents	\$ 11,787	\$ 12,325	\$ 11,828	\$ 2,319	\$ 1,334	\$ 1,187
Investment securities	2,723	3,142	1,598	236	193	198
Loan receivables	68,282	68,290	61,286	57,254	52,313	47,741
Allowance for loan losses	(3,894)	(3,497)	(3,236)	(2,892)	(2,274)	(2,052)
Loan receivables held for sale			332			
Goodwill	949	949	949	949	936	936
Intangible assets, net	704	701	519	300	255	252
Other assets ⁽²⁾	1,833	2,080	2,258	822	592	1,752
Total assets⁽²⁾	\$ 82,384	\$ 83,990	\$ 75,534	\$ 58,988	\$ 53,349	\$ 50,014
Liabilities and Equity:						
Total deposits ⁽²⁾	\$ 46,427	\$ 43,367	\$ 34,859	\$ 25,641	\$ 18,717	\$ 17,748
Total borrowings ⁽²⁾	19,295	24,279	27,383	24,302	27,789	25,873
Accrued expenses and other liabilities	2,947	3,740	2,814	3,085	2,261	2,065
Total liabilities⁽²⁾	68,669	71,386	65,056	53,028	48,767	45,686
Total equity	13,715	12,604	10,478	5,960	4,582	4,328
Total liabilities and equity⁽²⁾	\$ 82,384	\$ 83,990	\$ 75,534	\$ 58,988	\$ 53,349	\$ 50,014

- (1) In 2011, we completed the sale of a discontinued business operation. The selected earnings information presented above is of continuing operations.
- (2) In January 2016, we adopted ASU 2015-03, Interest Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs (ASU 2015-03), which requires the presentation of deferred issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of the debt liability. Accordingly, we have reclassified issuance costs associated with our borrowings and certain brokered deposits from other assets, and reflected them as a reduction of borrowings and interest-bearing deposit accounts, as applicable, for each period presented to conform to the current period presentation. Our indebtedness, deposit liabilities and total liabilities information presented elsewhere in this prospectus supplement also conforms to ASU 2015-03.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act, which are subject to the safe harbor created by those sections. Forward-looking statements may be identified by words such as expects, intends, anticipates, plans, believes, seeks, targets, outlook, estimates, will, should, may or words of similar meaning, but these words are not exclusive means of identifying forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the outlook for our future business and financial performance, such as those contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Business Trends and Conditions in our Annual Report on Form 10-K for the year ended December 31, 2015. 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 Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners;

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 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;

our transition to a replacement third-party vendor to manage the technology platform for our online retail deposits;

disruptions in the operations of our computer systems and data centers;

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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;

a material indemnification obligation to GE under the tax sharing and separation agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off;

obligations associated with being an independent public company;

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 the impact of the Consumer Financial Protection Bureau's regulation of our business;

changes to our methods of offering our CareCredit products;

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.

See Risk Factors in this prospectus supplement and Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Exchange Act, including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof, for a further description of these and other factors. 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 or incorporated by reference herein, including under Risk Factors in this prospectus supplement, and under the caption

Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Exchange Act, including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof. 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 the federal securities laws.

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RISK FACTORS

You should carefully consider the following risks and those included in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Exchange Act, including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof, before investing in the notes. These risks could materially affect our business, results of operations or financial condition and cause the trading price of the notes to decline. You could lose part or all of your investment.

Risks Relating to This Offering

We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank to fund payments on the notes.

As a holding company, we will rely significantly on dividends, distributions and other payments from the Bank to fund any payments on the notes and our other obligations, as well as to fund any dividends to our stockholders and repurchases of our stock. Accordingly, our ability to make payments on the notes depends upon the earnings of and the distribution of funds from our subsidiaries, including the Bank. Restrictions on our subsidiaries' ability to distribute cash to us could materially affect our ability to make payments on our indebtedness, including the notes.

The ability of the Bank to make dividends and other distributions and payments to us is subject to regulation by the Office of the Comptroller of the Currency of the U.S. Treasury and the Board of Governors of the Federal Reserve System. Limitations on the amounts we receive from the Bank could impact our liquidity and our ability to make payments on the notes when due. See Item 1A. Risk Factors Risks Relating to Regulation We are subject to restrictions that limit our ability to pay dividends and repurchase our common stock; the Bank is subject to restrictions that limit its ability to pay dividends to us, which could limit our ability to pay dividends or make payments on our indebtedness in our Annual Report on Form 10-K for the year ended December 31, 2015.

In addition, neither the notes nor the terms of our other indebtedness restrict the ability of our subsidiaries to incur indebtedness or enter into other agreements that may restrict or prohibit our subsidiaries from distributing cash to us. We cannot assure you that the indebtedness of our subsidiaries or other agreements to which our subsidiaries are a party will permit our subsidiaries to distribute sufficient cash to us to fund payments on the notes when due.

The notes are effectively subordinated to any secured debt we may incur.

The notes are unsecured and unsubordinated obligations of Synchrony and rank equally in right of payment with all its other unsecured and unsubordinated indebtedness. As a result, the indebtedness represented by the notes is effectively subordinated to any secured indebtedness Synchrony may incur, to the extent of the value of the assets securing such indebtedness. As of June 30, 2016, Synchrony had no secured indebtedness outstanding, and \$7.1 billion of indebtedness that ranked equally with the notes.

In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding up, liquidation or reorganization, or other bankruptcy proceeding, any secured creditors would have a superior claim to the extent of their respective collateral. If any of the foregoing occurs, we cannot assure you that there will be sufficient assets remaining after satisfaction of any such claims to pay amounts due on the notes.

The notes are not guaranteed by any of our subsidiaries and are effectively subordinated to the debt and other liabilities of our subsidiaries.

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We are a holding company and conduct substantially all of our operations through subsidiaries. However, the notes are obligations exclusively of Synchrony and are not guaranteed by any of our subsidiaries. As a result,

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the notes are structurally subordinated to all indebtedness and other liabilities of our subsidiaries (including deposit liabilities of the Bank), as well as the indebtedness and other liabilities of our securitization entities, which means that creditors of our subsidiaries (including depositors of the Bank) and our securitization entities will be paid from their respective assets before holders of the notes would have any claims to those assets. As of June 30, 2016, our subsidiaries and securitization entities had outstanding \$61.2 billion of total liabilities, including \$58.7 billion of indebtedness and deposit liabilities (excluding, in each case, intercompany liabilities).

In the event of the dissolution, winding up, liquidation or reorganization, or other bankruptcy proceeding of a subsidiary or securitization entity, creditors of that subsidiary or securitization entity would generally have the right to be paid in full before any distribution is made to us or the holders of the notes. If any of the foregoing occurs, we cannot assure you that there will be sufficient assets remaining after payments to such creditors to pay amounts due on the notes.

There are no covenants in the indenture governing the notes restricting our ability to incur future indebtedness or pay dividends, and there are limited restrictions on our ability to engage in other activities, any of which could adversely affect our ability to pay our obligations under the notes.

The indenture governing the notes does not prohibit us from incurring substantial additional indebtedness in the future. We are also permitted to incur additional secured indebtedness that would be effectively senior to the notes, to the extent of the value of the assets securing such indebtedness. The indenture governing the notes also permits unlimited additional borrowings by our subsidiaries or securitization entities that are effectively senior to the notes and, subject to certain exceptions, permits our subsidiaries to issue equity interests that have priority over our interests in the subsidiaries. If we incur additional indebtedness or liabilities, our ability to make payments on the notes could be adversely affected. We expect that we will from time to time incur additional debt and other liabilities.

In addition, the indenture does not contain any restrictive covenants limiting our ability to issue or repurchase securities, pay dividends or make any payments on junior or other indebtedness. Our ability to use our funds for numerous purposes may limit the funds available to pay our obligations under the notes.

There are no financial covenants in the indenture governing the notes. You are not protected under the indenture governing the notes in the event of a highly leveraged transaction, reorganization, change of control, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under "Description of Debt Securities" "Certain Covenants" "Consolidation, Merger and Sale of Assets" in the accompanying prospectus.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes.

Our ability to make scheduled payments of principal and interest or to satisfy our obligations in respect of our indebtedness or to refinance our indebtedness will depend on our future operating performance. Prevailing economic conditions (including interest rates), regulatory constraints (including, among other things, on distributions to us from the Bank and required capital levels with respect to the Bank) and financial, business and other factors, many of which are beyond our control, will also affect our ability to meet these obligations. We may not be able to generate sufficient cash flows from operations, or obtain future borrowings in an amount sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness when needed on commercially reasonable terms or at all.

Our credit ratings may not reflect all risks of an investment in the notes.

The credit ratings of the notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the notes. However, actual or anticipated changes in our credit ratings will generally affect any trading market for, or trading value of, the notes.

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Agency credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

It is unclear how increased regulatory oversight and changes in the method for determining LIBOR may affect the value of the notes and other financial obligations held or issued by us that are linked to LIBOR, or how such changes could affect our results of operations or financial condition.

As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers' Association (BBA) member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR, and there are ongoing investigations by regulators and governmental authorities in various jurisdictions. Following a review of LIBOR conducted at the request of the U.K. government, recommendations for reforming the setting and governing of LIBOR were released on September 28, 2012 (the Wheatley Review). The Wheatley Review made a number of recommendations for changes with respect to LIBOR, including the introduction of statutory regulation of LIBOR, the transfer of responsibility for LIBOR from the BBA to an independent administrator, changes to the method of the compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and a reduction in the number of currencies and tenors for which LIBOR is published. Based on the Wheatley Review and on a subsequent public and governmental consultation process, the U.K. Financial Services Authority published final rules for the U.K. Financial Conduct Authority's regulation and supervision of LIBOR on March 25, 2013 (the FCA Rules). In particular, the FCA Rules include requirements that: (i) an independent LIBOR administrator monitor and survey LIBOR submissions to identify breaches of practice standards and/or potentially manipulative behavior and (ii) firms submitting data to LIBOR establish and maintain a clear conflicts of interest policy and appropriate systems and controls. The FCA Rules took effect on April 2, 2013.

On February 1, 2014, the administration of LIBOR was transferred from the BBA to ICE Benchmark Administration Limited (IBA). IBA may make changes in methodology that could change the level of LIBOR, which in turn may adversely affect the value of the notes. On October 20, 2014, IBA published a Position Paper proposing a unified, transaction-based prescriptive methodology for the calculation of LIBOR, using pre-defined parameters. IBA is also proposing alternative calculation methodologies in order to ensure LIBOR is always available, even in times of market stress when there are insufficient transactions to produce reliable submissions. On July 31, 2015, IBA published a Second Position Paper providing further details on the proposed methodology updates for calculating LIBOR and outlining a timetable for the reforms. IBA may also alter, discontinue or suspend calculation or dissemination of LIBOR. IBA may take any actions in respect of LIBOR without regard to the interests of any investor in the notes, and any of these actions could have an adverse effect on the value of the notes, which was followed on March 18, 2016 by a roadmap based on feedback to the position papers, as well as discussions with stakeholders. On June 29, 2016, IBA published a consultation notice, together with a proposed revised Code of Conduct (setting out the framework within which panel banks operate in the LIBOR context) and the ICE LIBOR Output Statement (setting out a revised definition/calculation of LIBOR). Stakeholders had until July 13, 2016 to comment on the proposed changes to the Code of Conduct, and IBA is expected to publish the final version of these guidelines following such date.

It is uncertain what additional regulatory changes or what changes, if any, in the method of determining LIBOR may be required or made by the U.K. government or other governmental or regulatory authorities or IBA. Accordingly, it is not certain whether or to what extent any such changes could have an adverse impact on the value of the notes, any other LIBOR-linked notes issued by us, or any loans and other financial obligations or extensions of credit for which we are an obligor. It is also not certain whether or to what extent any such changes would have an adverse impact on the value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to us or on our results of operations or financial condition.

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An active trading market for the notes may not exist.

The notes are not listed and we do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. We cannot provide you with any assurance regarding whether, following the completion of this offering, an active trading market for the notes will exist, the ability of holders of the notes to sell their notes or the price at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to continue to make a market in the notes, but they are not obligated to do so and may cease market-making activities at any time without notice. If no active trading market for the notes exists, the market price and liquidity of the notes may be adversely affected.

Changes in our credit ratings or the debt markets could adversely affect the trading price of the notes.

The trading price of the notes depends on many factors, including:

the number of holders of the notes;

changes in or issuance of new credit ratings for us or our asset-backed securities;

the interest of securities dealers in making a market in the notes;

the prevailing interest rates being paid by other companies similar to us;

general market conditions;

our financial condition, financial performance and future prospects;

domestic and international economic factors unrelated to our performance;

changes in or failure to meet our publicly disclosed expectations as to our future financial performance;

downgrades in securities analysts' estimates of our financial performance, operating results that vary from the expectations of securities analysts or investors or lack of research and reports by industry analysts;

operating and securities price performance of companies that investors consider to be comparable to us;

any future sales of our common stock or other securities;

additions or departures of key personnel;

actions or announcements by our competitors;

reputational issues;

regulatory and tax actions;

changes in our capital structure or dividend policy, regulatory requirements, future issuances of securities, sales of large blocks of common stock by our stockholders, or our incurrence of additional debt;

the market prices for our equity securities; and

other matters discussed elsewhere in **Risk Factors** in this prospectus supplement and under the caption **Item 1A. Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2015, as updated by our subsequent filings under the Exchange Act, including our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments thereof.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the trading price of the notes. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the consumer finance industry as a whole and may change their credit rating for us based on their overall view of our industry. A negative change in our rating or that of other peer companies could have an adverse effect on the trading price of the notes.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of the notes in this offering will be \$ _____, after deducting the underwriting discount and estimated offering expenses (but excluding accrued interest of approximately \$ _____).

We intend to use the net proceeds from this offering for general corporate purposes.

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The following table sets forth our ratio of earnings to fixed charges for the periods indicated.

For purposes of determining the ratio of earnings to fixed charges, earnings consist of earnings before provision for income taxes, plus fixed charges. Fixed charges consist of (i) interest expense on all indebtedness, including amortization of debt expense, discounts and premiums and (ii) the portion of rental expense that is representative of the interest factor.

	Six Months Ended June 30, 2016	Years Ended December 31,				
	2015	2014	2013	2012	2011	
Ratio of earnings to fixed charges	3.7x	4.0x	4.6x	5.1x	5.4x	4.2x

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Table of Contents**DESCRIPTION OF THE NOTES**

The following description supplements and, to the extent it is inconsistent, supersedes the description of the general provisions of the notes and the indenture under Description of Debt Securities in the accompanying prospectus. This description of the notes and the description under Description of Debt Securities in the accompanying prospectus do not purport to be complete and are qualified in their entirety by reference to the provisions of the base indenture governing the notes, the fifth supplemental indenture and the form of notes that are or will be filed as exhibits to the registration statement of which the accompanying prospectus forms apart, and to the Trust Indenture Act of 1939, as amended. We urge you to read the base indenture governing the notes, the fifth supplemental indenture and the forms of notes because they, and not these descriptions of the notes and debt securities, will define your rights as holders of the notes.

As used in this description of the notes, we, our, us and Synchrony refer to SYNCHRONY FINANCIAL and not to any of our subsidiaries.

General

We are offering \$ _____ million of our Floating Rate Senior Notes due 2017. The notes offered hereby constitute an additional issuance of our Floating Rate Senior Notes due 2017, \$500.0 million aggregate principal amount of which were previously issued and are outstanding. The notes offered hereby will be fungible and form a single series with the outstanding Floating Rate Senior Notes due 2017 for all purposes.

We will issue the notes offered hereby under an indenture (the base indenture), dated as of August 11, 2014, between us and The Bank of New York Mellon, as trustee (the trustee), as heretofore supplemented and as further supplemented by a fifth supplemental indenture (the supplemental indenture), dated as of May 9, 2016, between us and the trustee. We refer to the base indenture governing the notes, as supplemented by the supplemental indenture, as the indenture. The trustee will initially be the security registrar and paying agent for the notes offered hereby.

On August 11, 2014, we issued \$500.0 million in aggregate principal amount of 1.875% Senior Notes due 2017, \$1,100.0 million in aggregate principal amount of 3.000% Senior Notes due 2019, \$750.0 million in aggregate principal amount of 3.750% Senior Notes due 2021 and \$1,250.0 million in aggregate principal amount of 4.250% Senior Notes due 2024. On February 2, 2015, we issued \$750.0 million in aggregate principal amount of 2.700% Senior Notes due 2020 and \$250.0 million in aggregate principal amount of Floating Rate Senior Notes due 2020. On July 23, 2015, we issued \$1,000.0 million in aggregate principal amount of 4.500% Senior Notes due 2025. On December 4, 2015, we issued \$1,000.0 million in aggregate principal amount of 2.600% Senior Notes due 2019. On May 9, 2016, we issued \$500.0 million in aggregate principal amount of Floating Rate Senior Notes due 2017, of which the notes offered hereby will constitute the same series. On August 4, 2016, we issued \$500.0 million in aggregate principal amount of 3.700% Senior Notes due 2026.

Upon issuance of the notes offered hereby, the aggregate principal amount of the notes will be limited to \$ _____. The notes will mature at par on November 9, 2017.

When we use the term business day, we mean any calendar day that is not a Saturday, Sunday or a day on which commercial banking institutions are not required to be open for business in The City of New York, New York and London, United Kingdom; London business day means any calendar day on which commercial banks are open for dealings in deposits in U.S. dollars in the London interbank market.

The notes are not entitled to the benefit of any sinking funds.

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The notes offered hereby will be issued in the form of one or more fully registered global notes registered in the name of the nominee of DTC and in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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In addition to the notes, we may issue from time to time other series of debt securities under the indenture consisting of debentures, notes or other unsecured, unsubordinated evidences of indebtedness, including convertible notes, but such other series will be separate from the notes. The indenture does not limit the amount of debt securities or any other debt (whether secured or unsecured, or whether subordinated or unsubordinated) that we may incur.

We may, from time to time, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes, except for the public offering price, the issue date and, if applicable, the initial interest payment date and initial interest accrual date. Any such additional notes, together with the notes offered hereby, will constitute a single series of debt securities under the indenture; *provided* that if the additional notes are not fungible for U.S. federal income tax purposes with the notes offered by this prospectus, the additional notes will be issued under a separate CUSIP number. No additional notes may be issued if an event of default has occurred and is continuing with respect to the notes.

We will maintain an office or agency in the Borough of Manhattan, The City of New York where we will pay the principal of, and interest on, the notes and you may present the notes for registration of transfer and exchange. We have designated the office of the trustee located at 101 Barclay Street, New York, New York 10286 for this purpose.

Interest

Interest on the notes offered hereby will accrue from August 9, 2016 and is payable quarterly in arrears on February 9, May 9, August 9 and November 9 of each year, with the first payment of interest on the notes offered hereby on November 9, 2016 (each, an interest payment date), to the persons in whose names the notes are registered at the close of business on the January 25, April 24, July 25 and October 25 (whether or not a business day), respectively, immediately prior to each interest payment date; *provided* that the interest due at maturity (whether or not an interest payment date) will be paid to the person to whom principal is payable. Interest shall be calculated on the basis of the actual number of days in the period divided by 360.

The interest rate on the notes is reset quarterly February 9, May 9, August 9 and November 9 of each year, commencing August 9, 2016 (each, an interest reset date), and the notes bear interest at an annual rate equal to three-month LIBOR (as determined below) for the applicable interest reset period (as defined below), plus 1.400% per year. Each interest reset period will be the period from, and including, an interest reset date to, but excluding, the immediately succeeding interest reset date; *provided* that the final interest reset period for the notes will be the period from, and including, the interest reset date immediately preceding the maturity date of the notes to, but excluding, the maturity date. The interest determination date is the second London business day immediately preceding the applicable interest reset date.

Interest payable on the notes on any interest payment date or the maturity date shall be the amount of interest accrued from, and including, the immediately preceding interest payment date in respect of which interest has been paid or duly provided for to, but excluding, the interest payment date or maturity date, as the case may be. If any interest reset date or interest payment date for the notes (other than the maturity date) would otherwise be a day that is not a business day, such interest reset date or interest payment date, as the case may be, will be postponed to the next succeeding day that is a business day and interest on the notes will continue to accrue on the payment so deferred, except that if that business day is in the next succeeding calendar month, the interest reset date or interest payment date, as the case may be, shall be the immediately preceding business day. If the maturity date for any note falls on a date that is not a business day, the related payments of principal and interest will be made on the next succeeding business day, and no additional interest will accrue on the amount payable for the period from and after the maturity date.

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The Bank of New York Mellon, or its successor appointed by us, acts as calculation agent. Three-month LIBOR is determined by the calculation agent as of the applicable interest determination date in accordance with the following provisions:

Three-month LIBOR is the rate for deposits in U.S. dollars having a three-month maturity, commencing on the related interest reset date immediately following such interest determination date, which appears on the Reuters LIBOR01 Page (as defined below) as of approximately 11:00 a.m., London time, on such interest determination date. Reuters LIBOR01 Page means the display designated as page LIBOR01 on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBOR01 page on that service, any successor service or such other service as may be nominated as the information vendor for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits). If no rate appears on the Reuters LIBOR01 Page as of approximately 11:00 a.m., London time, on an interest determination date, three-month LIBOR for such interest determination date will be determined in accordance with the provisions of the next succeeding bullet point.

With respect to an interest determination date on which no rate appears on the Reuters LIBOR01 Page as of approximately 11:00 a.m., London time, on such interest determination date, the calculation agent shall request the principal London offices of each of four major reference banks (which may include affiliates of the underwriters) in the London interbank market selected and identified by us to provide the calculation agent with a quotation of the rate at which deposits of U.S. dollars having a three-month maturity, commencing on the related interest reset date immediately following such interest determination date, are offered by it to prime banks in the London interbank market as of approximately 11:00 a.m., London time, on such interest determination date in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time. If at least two such quotations are provided, three-month LIBOR for such interest determination date will be the arithmetic mean of such quotations as calculated by the calculation agent. If fewer than two quotations are provided, three-month LIBOR for such interest determination date will be the arithmetic mean of the rates quoted as of approximately 11:00 a.m., New York City time, on such interest determination date by three major banks (which may include affiliates of the underwriters) selected and identified by us for loans in U.S. dollars to leading European banks having a three-month maturity commencing on the related interest reset date immediately following such interest determination date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time; *provided, however*, that if the banks selected by us are not quoting such rates as set forth in this sentence, three-month LIBOR for such interest determination date will be three-month LIBOR determined with respect to the immediately preceding interest determination date.

All percentages resulting from any calculation of any interest rate for the notes will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upward and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

Promptly upon such determination, the calculation agent will notify us and the trustee (if the calculation agent is not the trustee) of the interest rate for the new interest reset period. Upon request of a holder of notes, the calculation agent will provide to such holder the interest rate in effect on the date of such request and, if determined, the interest rate for the next interest reset period.

All calculations made by the calculation agent for the purposes of calculating interest on the notes shall be conclusive and binding on the holders, the trustee and us, absent manifest error.

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Ranking

The notes are our direct, unsecured obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations, and senior in right of payment to all of our existing and future indebtedness that is expressly subordinated to the notes.

We are a holding company and conduct substantially all of our operations through subsidiaries. However, the notes are obligations exclusively of Synchrony and are not guaranteed by any of our subsidiaries (including the Bank). As a result, the notes are structurally subordinated to all indebtedness and other liabilities of our subsidiaries (including deposit liabilities of the Bank), as well as the indebtedness and other liabilities of our securitization entities, which means that creditors of our subsidiaries (including depositors of the Bank) and our securitization entities will be paid from their respective assets before holders of the notes would have any claims to those assets. At June 30, 2016, our subsidiaries and securitization entities had outstanding \$61.2 billion of total liabilities, including \$58.7 billion of indebtedness and deposit liabilities (excluding, in each case, intercompany liabilities).

As a holding company, we depend on the ability of our subsidiaries, particularly the Bank, to transfer funds to us to meet our obligations, including our obligations to pay interest on the notes. See **Risk Factors** **Risks Relating to This Offering** We are a holding company and will rely significantly on dividends, distributions and other payments from the Bank to fund payments on the notes in this prospectus supplement. Our subsidiaries have no obligation to pay any amounts due on the notes.

At June 30, 2016, Synchrony had no secured indebtedness outstanding, and \$7.1 billion of indebtedness that ranked equally with the notes. The indenture does not limit our ability, or the ability of our subsidiaries, to incur senior, subordinated or secured debt, or our ability, or that of any of our subsidiaries, to incur other indebtedness and other liabilities or, subject to limited exceptions, issue preferred stock.

Optional Redemption

The notes are not redeemable prior to maturity.

Trustee

The Bank of New York Mellon is the trustee with respect to the notes. The trustee is one of a number of banks with which we and our subsidiaries maintain banking and trust relationships in the ordinary course of business.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR HOLDERS

The following discussion describes U.S. federal income tax consequences of ownership and disposition of the notes to an initial beneficial owner of the notes (a **Holder**). This discussion is limited to Holders who hold the notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the **Code**). This description is based on the Code, administrative pronouncements, judicial decisions and existing and proposed Treasury regulations, and interpretations of the foregoing, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. The description does not discuss all of the tax consequences that may be relevant to Holders in light of their particular circumstances. Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to you in light of your particular circumstances, nor does it discuss special tax provisions, which may apply to you and holders of your equity, if applicable, if you are subject to special treatment under U.S. federal income tax laws, such as for certain financial institutions or financial services entities, insurance companies, tax-exempt entities, dealers in securities or currencies, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, former U.S. citizens or long-term residents, persons deemed to sell the notes under the constructive sale provisions of the Code, and persons that hold the notes as part of a straddle, conversion transaction, or other integrated investment. In addition, this discussion does not address any state, local or foreign tax laws or any U.S. federal tax law other than U.S. federal income tax law (such as gift or estate tax laws).

You are urged to consult with your own tax advisor concerning the U.S. federal income tax consequences of owning and disposing of the notes, as well as the application of any state, local, and foreign income and other tax laws.

As used in this section, a **U.S. Holder** is a Holder that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States,

a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia,

an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A **Non-U.S. Holder** means any Holder that is not a U.S. Holder or an entity or arrangement treated as a partnership or a disregarded entity for U.S. federal income tax purposes.

If you are an individual, you may, in certain cases, be deemed to be a resident alien, as opposed to a nonresident alien, with respect to a calendar year by virtue of being present in the United States (i) for at least 183 days during the calendar year, or (ii) for at least 31 days in the calendar year and for an aggregate of at least 183 days during the three-year period ending with the calendar year. For purposes of (ii), all of the days present in the current year,

one-third of the days present in the immediately preceding calendar year, and one-sixth of the days present in the second preceding calendar year are counted. Resident aliens are subject to U.S. federal income tax as if they were U.S. citizens.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes is a beneficial owner of the notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Special rules may apply if a Non-U.S. Holder is a controlled foreign corporation or passive foreign investment company, as defined under the Code, and to certain expatriates or

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former long-term residents of the United States. If you fall within any of the foregoing categories, you should consult with your own tax advisor about the tax consequences of acquiring, holding, and disposing of the notes.

Qualified Reopening

For U.S. federal income tax purposes, we intend to treat the notes offered hereby as being issued in a qualified reopening of the currently outstanding Floating Rate Senior Notes due 2017 in an aggregate principal amount of \$500.0 million (the original notes). For U.S. federal income tax purposes, debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instruments. Under the treatment described in this paragraph, the notes offered hereby will have the same issue date and the same issue price as the original notes for U.S. federal income tax purposes. The issue price of the original notes was \$1,000 per \$1,000 face amount and the issue date of the original notes was May 9, 2016. The remainder of this discussion assumes the correctness of the treatment described in this paragraph.

U.S. Holders

Pre-Acquisition Accrued Interest on the Notes

A portion of the price paid for the notes is attributable to the amount of interest accrued from and including August 9, 2016 (the pre-acquisition accrued interest). To the extent a portion of a U.S. Holder's purchase price is allocable to pre-acquisition accrued interest, a portion of the first stated interest payment equal to the amount of such pre-acquisition accrued interest will be treated as a nontaxable return of such pre-acquisition accrued interest to the U.S. Holder and will reduce a U.S. Holder's adjusted tax basis in the note by a corresponding amount.

Stated Interest on the Notes

A U.S. Holder generally will be required to include stated interest earned on the notes (other than pre-acquisition accrued interest) as ordinary income when received or accrued in accordance with the U.S. Holder's regular method of tax accounting to the extent such interest is qualified stated interest. Stated interest is qualified stated interest if it is unconditionally payable in cash at least annually. The stated interest on the notes is qualified stated interest.

Amortizable Bond Premium

If a note is purchased at a price in excess of such note's stated principal amount (excluding any amounts that are treated as pre-acquisition accrued interest as described above under Pre-Acquisition Accrued Interest on the Notes), a U.S. Holder will have bond premium with respect to that new note in an amount equal to such excess. A U.S. Holder generally may elect to amortize bond premium using the constant yield method over the remaining term of the note and may offset stated interest income otherwise required to be included in respect of the note during any taxable year by the amortized amount of bond premium for the taxable year. A U.S. Holder's election to amortize bond premium on a constant yield method, once made, will also apply to all other debt obligations with bond premium that a U.S. Holder holds at the beginning of or acquires in or after the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service (IRS). If a U.S. Holder does not elect to amortize the bond premium, the bond premium will decrease the gain or increase the loss such holder would otherwise recognize on the disposition of the note. You are urged to consult your own tax advisors with respect to the rules relating to amortizable bond premium and the application to their particular circumstances.

Sale, Exchange, Redemption, or Other Taxable Disposition of the Notes

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Unless a non-recognition provision applies, upon the sale, exchange, redemption, or other taxable disposition of a note, a U.S. Holder will generally recognize capital gain or loss equal to the difference (if any)

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between the amount realized (other than amounts attributable to accrued but unpaid stated interest, which will be taxable as ordinary income to the extent not previously included in income, except for pre-acquisition accrued interest which will be taxable as described above under *Pre-Acquisition Accrued Interest*) and such U.S. Holder's adjusted tax basis in the note. The U.S. Holder's adjusted tax basis in a note generally will be the purchase price for the note reduced by the amount received in respect of pre-acquisition accrued interest and reduced by any bond premium previously amortized. Such gain or loss will be treated as long-term capital gain or loss if the note was held for more than one year at the time of disposition. Long-term capital gain recognized by certain non-corporate U.S. Holders generally will be subject to a preferential tax rate. Subject to limited exceptions, capital losses cannot be used to offset a U.S. Holder's ordinary income.

Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% Medicare tax on all or a portion of their net investment income, which may include all or a portion of their interest and net gains from the sale or other disposition of the notes. If you are a U.S. Holder that is an individual, estate or trust, you should consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

Information Reporting and Backup Withholding

In general, information reporting will apply to a U.S. Holder (other than an exempt recipient, including a corporation and certain other persons who, when required, demonstrate their exempt status) with respect to:

any payments made of principal of, premium, if any, and interest on, the notes; and

payment of the proceeds of a sale or other disposition of the notes.

In addition, backup withholding at the applicable statutory rate may apply to such amounts if a U.S. Holder fails to provide a correct taxpayer identification number certified under penalties of perjury or otherwise comply with applicable requirements of the backup withholding rules. A U.S. Holder that does not provide its correct taxpayer identification number also may be subject to penalties imposed by the IRS.

Any backup withholding is not an additional tax and may be refunded or credited against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely provided to the IRS.

Non-U.S. Holders

U.S. Federal Withholding Tax

Subject to the discussions below concerning backup withholding and FATCA (as defined below), U.S. federal withholding tax will not apply to any payment of principal or interest on the notes, provided that in the case of interest:

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you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and the Treasury regulations;

you are not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership; and

(a) you provide your name, address and certain other information on an IRS Form W-8BEN or W-8BEN-E, as applicable (or a suitable substitute form), and certify, under penalties of perjury, that you are not a U.S. person or (b) you hold your notes through certain foreign intermediaries or certain foreign partnerships and certain certification requirements are satisfied.

Interest payments that are effectively connected with the conduct of a trade or business by you within the United States (and, where an applicable tax treaty so provides, are also attributable to a U.S. permanent

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establishment maintained by you) are not subject to the U.S. federal withholding tax, but instead are subject to U.S. federal income tax as described below.

If you cannot satisfy the requirements described above, payments of interest will be subject to a 30% U.S. federal withholding tax unless a tax treaty applies or the interest payments are effectively connected with the conduct of a U.S. trade or business. If a tax treaty applies to you, you may be eligible for a reduction of or exemption from U.S. federal withholding tax. To claim any exemption from or reduction of the 30% withholding tax, you should provide a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable (or a suitable substitute form), claiming a reduction of or an exemption from withholding tax under an applicable tax treaty or a properly executed IRS Form W-8ECI (or a suitable substitute form) stating that such payments are not subject to withholding tax because they are effectively connected with your conduct of a trade or business in the United States.

U.S. Federal Income Tax

Any gain, other than amounts attributable to accrued interest which is taxable as set forth above, realized on the disposition of a note (including a redemption or retirement) will generally not be subject to U.S. federal income tax unless such gain is effectively connected with your conduct of a trade or business in the United States (and, where an applicable tax treaty so provides, is also attributable to a U.S. permanent establishment maintained by you).

If you are engaged in a trade or business in the United States (and, if a tax treaty applies, you also maintain a U.S. permanent establishment) and interest or gain on the notes is effectively connected with the conduct of such trade or business (and, if a tax treaty applies, is attributable to such permanent establishment), you will be subject to U.S. federal income tax (but not U.S. withholding tax assuming, in the case of interest, a properly executed Form W-8ECI (or a suitable substitute form) is provided) on such interest or gain on a net income basis in generally the same manner as if you were a U.S. person. In addition, in certain circumstances, if you are a foreign corporation you may be subject to a 30% (or, if a tax treaty applies, such lower rate as provided by the treaty) branch profits tax.

Backup Withholding and Information Reporting

Interest paid to a Non-U.S. Holder must be reported annually to the IRS and to the Non-U.S. Holder. Copies of these information returns also may be made available to the tax authorities of the country in which the Non-U.S. Holder resides under the provisions of various treaties or agreements for the exchange of information.

Unless the Non-U.S. Holder is an exempt recipient, interest paid on the notes and the gross proceeds from a taxable disposition of the notes may be subject to additional information reporting and may also be subject to U.S. federal backup withholding (at a rate of 28%) if such Non-U.S. Holder fails to comply with applicable U.S. information reporting and certification requirements. Provision of an IRS Form W-8 appropriate to the Non-U.S. Holder's circumstances will generally satisfy the certification requirements necessary to avoid backup withholding.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules will be refunded by the IRS or credited against the Non-U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Other Withholding Requirements

Non-U.S. Holders of the notes may be subject to U.S. withholding tax at a rate of 30% under Sections 1471 through 1474 of the Code (commonly referred to as FATCA) on payments of interest on the notes. This withholding tax may apply if a Non-U.S. Holder (or any foreign intermediary that receives a payment on a Non-

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U.S. Holder s behalf) does not comply with certain U.S. informational reporting requirements, such compliance usually evidenced by delivery of a properly executed IRS Form W-8BEN-E. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Non-U.S. Holders should consult their tax advisors regarding the possible implications of FATCA on their investment in the notes.

You should consult your own tax advisor as to particular tax consequences to you of acquiring, holding, and disposing of the notes, including the applicability and effect of other United States federal, state, local or foreign tax laws, and of any proposed changes in applicable law.

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Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as representatives, have severally agreed to purchase, and Synchrony has agreed to sell to them, severally, the principal amount of notes indicated below:

Name	Principal Amount of Notes
J.P. Morgan Securities LLC	\$
Morgan Stanley & Co. LLC	
Total	\$

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are the joint book-running managers of this offering.

The underwriters are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the notes offered hereby are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the notes offered by this prospectus supplement and the accompanying prospectus if any such notes are taken. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or this offering may be terminated.

The underwriters initially propose to offer the notes directly to the public at the public offering price listed on the cover page of this prospectus supplement and may offer the notes to certain dealers at a price that represents a concession not in excess of % of the principal amount of the notes. Any underwriter may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of the notes to other underwriters or to certain dealers. After the initial offering of the notes, the offering price and other selling terms may from time to time be varied by the representatives. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The underwriting discount will be determined by negotiations among us and the representatives and are a percentage of the offering price to the public. Among the factors to be considered in determining the underwriting discount will be the size of this offering, the nature of the security to be offered and the underwriting discount charged in comparable transactions.

The following table shows the per note and total underwriting discount to be paid to the underwriters.

Per Note	Underwriting Discount
	%
Total	\$

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The estimated offering expenses are approximately \$350,000, which includes legal, accounting and printing costs and various other fees associated with this offering. All offering expenses will be payable by us.

A prospectus supplement and accompanying prospectus in electronic format may be made available on websites maintained by one or more underwriters. The underwriters may agree to allocate notes to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the joint book-running managers to underwriters that may make Internet distributions on the same basis as other allocations.

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The notes are not listed and we do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. We cannot provide you with any assurance regarding whether, following the completion of this offering, an active trading market for the notes will exist, the ability of holders of the notes to sell their notes or the price at which holders may be able to sell their notes. The underwriters have advised us that they currently intend to continue to make a market in the notes, but they are not obligated to do so and may cease market-making activities at any time without notice. If no active trading market for the notes exists, the market price and liquidity of the notes may be adversely affected.

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while this offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives or their respective affiliates have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

Selling Restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus supplement and the accompanying prospectus may not be offered or sold, directly or indirectly, nor may this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement and the accompanying prospectus come are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement or the accompanying prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or

in a transaction not subject to, the prospectus requirements of applicable securities laws.

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Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

This document is not a prospectus for the purposes of the Prospectus Directive (as defined below). This document has been prepared on the basis that all offers of the notes offered hereby made to persons in the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of such notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant underwriter or underwriters nominated by us for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of notes shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Switzerland

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The notes may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the notes or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

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Neither this document nor any other offering or marketing material relating to this offering, the Company or the notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of notes has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of notes.

United Kingdom

The communication of this document and any other document or materials relating to the issue of the notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the FSMA). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Financial Promotion Order)), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as relevant persons). In the United Kingdom, the notes offered hereby are only available to, and any investment or investment activity to which this document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Each underwriter has represented and agreed that: