

PINNACLE FINANCIAL PARTNERS INC
 Form 3
 September 02, 2015

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

<p>1. Name and Address of Reporting Person *</p> <p>Â Farnsworth Thomas C III</p> <p>(Last) (First) (Middle)</p> <p>150 THIRD AVENUE SOUTH,Â SUITE 900</p> <p>(Street)</p> <p>NASHVILLE,Â TNÂ 37201</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>09/01/2015</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>PINNACLE FINANCIAL PARTNERS INC [PNFP]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

<p>1. Title of Security (Instr. 4)</p>	<p>2. Amount of Securities Beneficially Owned (Instr. 4)</p>	<p>3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)</p>	<p>4. Nature of Indirect Beneficial Ownership (Instr. 5)</p>
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<p>1. Title of Derivative Security (Instr. 4)</p>	<p>2. Date Exercisable and Expiration Date (Month/Day/Year)</p> <p>Date Exercisable Expiration Date</p>	<p>3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)</p> <p>Title Amount or Number of Shares</p>	<p>4. Conversion or Exercise Price of Derivative Security</p>	<p>5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)</p>	<p>6. Nature of Indirect Beneficial Ownership (Instr. 5)</p>
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Farnsworth Thomas C III 150 THIRD AVENUE SOUTH SUITE 900 NASHVILLE, TN 37201	X			

Signatures

/s/ Thomas C.
Farnsworth, III

09/02/2015

Signature of Reporting Person

Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. The FDIA creates a depositor preference regime for the resolution of all insured depository institutions, including the Bank. If any such institution is placed into receivership, the FDIC will pay (out of the remaining net assets of the failed institution and only to the extent of such assets) first secured creditors (to the extent of their security), second the administrative expenses of the receivership, third all deposits liabilities (both insured and uninsured), fourth any other general or senior liabilities, fifth any obligations subordinated to depositors or general creditors, and finally any remaining net assets to shareholders in that capacity.

The Bank may be held liable by the FDIC for any loss incurred, or reasonably expected to be incurred by the DIF, due to the default of another commonly controlled FDIC-insured institution or for any assistance provided by the FDIC to another commonly controlled FDIC-insured institution that is in danger of default. As long as we are directly or indirectly controlled by GE, the Bank will be commonly controlled with another FDIC-insured institution, GE Capital Bank, an industrial bank chartered under the laws of Utah.

Consumer Financial Services Regulation

The relationship between us and our U.S. customers is regulated extensively under federal and state consumer protection laws. Federal laws include the Truth in Lending Act, the Equal Credit Opportunity Act, HOLA, the Fair Credit Reporting Act (the FCRA), the GLBA, the CARD Act and the Dodd-Frank Act. These and other federal laws, among other things, require disclosures of the cost of credit, provide substantive consumer rights, prohibit discrimination in credit transactions, regulate the use of credit report information, provide financial privacy protections, require safe and sound banking operations, prohibit unfair, deceptive and abusive practices, restrict our ability to raise interest rates, and subject us to substantial regulatory oversight. State and, in some cases, local laws also may regulate the relationship between us and our U.S. customers in these areas, as well as in the areas of collection practices, and may provide other additional consumer protections. Moreover, we and our U.S. subsidiaries are subject to the Servicemembers Civil Relief Act, which protects persons called to active military service and their

dependents from undue hardship resulting from their military service. The Servicemembers Civil Relief Act applies to all debts incurred prior to the commencement of active duty (including credit card and other open-end debt) and limits the amount of interest, including service and renewal charges and any other fees or charges (other than bona fide insurance) that is related to the obligation or liability.

Violations of applicable consumer protection laws can result in significant potential liability from litigation brought by customers, including actual damages, restitution and attorneys' fees. Federal banking regulators, as well as state attorneys general and other state and local consumer protection agencies, also may seek to enforce consumer protection requirements and obtain these and other remedies, including civil money penalties and fines.

The CARD Act was enacted in 2009 and most of the requirements became effective in 2010. The CARD Act made numerous amendments to the Truth in Lending Act, requiring us to make significant changes to

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many of our business practices, including marketing, underwriting, pricing and billing. The CARD Act's restrictions on our ability to increase interest rates on existing balances to respond to market conditions and credit risk ultimately limits our ability to extend credit to new customers and provide additional credit to current customers. Other CARD Act restrictions, such as limitations on late fees, have resulted and will continue to result in reduced interest income and loan fee income.

The FCRA regulates the Bank's and our use of credit reports and the reporting of information to credit reporting agencies, and also provides a standard for lenders to share information with affiliates and certain third parties and to provide firm offers of credit to consumers. The FCRA also places further restrictions on the use of information shared between affiliates for marketing purposes, requires the provision of disclosures to consumers when risk-based pricing is used in a credit decision, and requires safeguards to help protect consumers from identity theft.

Under HOLA, the Bank is prohibited from engaging in certain tying or reciprocity arrangements with its customers. In general, the Bank may not extend credit, lease, sell property, or furnish any services or fix or vary the consideration for these on the condition that: (i) the customer obtain or provide some additional credit, property, or services from or to the Bank or Synchrony or their subsidiaries or (ii) the customer may not obtain some other credit, property, or services from a competitor, except in each case to the extent reasonable conditions are imposed to assure the soundness of the credit extended. Certain arrangements are permissible. For example, the Bank may offer more favorable terms if a customer obtains two or more traditional bank products.

The Durbin Amendment in the Dodd-Frank Act requires the Federal Reserve Board to promulgate certain rules related to debit transaction interchange fees. On June 29, 2011, the Federal Reserve Board adopted a final rule with respect to the Durbin Amendment effective on October 1, 2011, which, among other things, established a regulatory cap for many types of debit interchange transactions that is no more than 21 cents plus five basis points of the value of the transaction. The Federal Reserve Board's rule also allows a debit card issuer to recover 1% per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements. In addition, the rule prohibits the imposition of restrictions on a merchant's ability to direct the routing of electronic debit transactions over a network for which the issuer has enabled processing. These rules were challenged by retailers claiming that the interchange fee and network non-exclusivity provisions of the rule are arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law. The Federal Reserve Board's regulation was upheld by the U.S. Court of Appeals for the D.C. Circuit, on March 21, 2014. The court of appeals found that the Federal Reserve Board's final rule was based on a reasonable interpretation of the Dodd-Frank Act. The court of appeals remanded the case to the lower court for further proceedings consistent with its opinion, and those lower court proceedings are currently ongoing.

The Dodd-Frank Act established the CFPB, which regulates consumer financial products and services and certain financial services providers. The CFPB is authorized to prevent unfair, deceptive or abusive acts or practices and ensure consistent enforcement of laws so that all consumers have access to markets for consumer financial products and services that are fair, transparent and competitive. The CFPB has rulemaking and interpretive authority under the Dodd-Frank Act and other federal consumer financial services laws, as well as broad supervisory, examination and enforcement authority over large providers of consumer financial products and services, such as us. In addition, the CFPB has an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including the products we offer. The system could inform future agency decisions with respect to regulatory, enforcement or examination focus. There continues to be uncertainty as to how the CFPB's strategies and priorities will have an impact on our businesses and our results of operations going forward. Although we have been subject to various matters with the CFPB as described below, neither we nor the Bank has had its first comprehensive examination by the CFPB, and we cannot predict when such examination will occur or what the results will be. See

Risk Factors Risks Relating to Regulation The Consumer Financial Protection Bureau is a new agency and there continues to be uncertainty as to how the agency's actions will impact our business; the agency's actions have had and

may continue to have an adverse impact on our business.

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In July 2012, the CFPB issued an industry bulletin regarding marketing practices with respect to credit card add-on products, including debt cancellation products. The Bank has made a number of changes, including changes in response to the CFPB bulletin, with respect to its marketing and sale of debt cancellation products to credit card customers, including ceasing all telesales of such products, and the Bank has also enhanced the disclosures associated with its website sales of such products. See Risk Factors Risks Relating to Our Business Litigation, regulatory actions and compliance issues could subject us to significant fines, penalties, judgments, remediation costs and/or requirements resulting in increased expenses.

In October 2013 the CFPB published its first biennial report reviewing the impact of the CARD Act on the consumer credit card market. In the report, the CFPB identified practices that may warrant further scrutiny by it, including add-on products (such as debt protection, identity theft protection, credit score monitoring, and other products that are supplementary to the extension of credit), cards that charge substantial application fees, and deferred interest offers and products (which could include our promotional financing products). The report further identified concerns regarding the adequacy of online disclosures as well as of the disclosures associated with rewards products and grace periods. Separately, the CFPB is also studying pre-dispute arbitration clauses, and our litigation exposure could increase if the CFPB exercises its authority to limit or ban pre-dispute arbitration clauses.

On December 10, 2013, we entered into the 2013 CFPB Consent Order relating to our CareCredit platform, which requires us to pay up to \$34.1 million to customers, to provide additional training and monitoring of our CareCredit partners, to include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, to make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and to terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the changes required by the 2013 CFPB Consent Order are similar to requirements in the Assurance that we entered with the Attorney General for the State of New York on June 3, 2013. The Bank expects to be in full compliance with the business practice changes required by the 2013 CFPB Consent Order and the Assurance by the third quarter of 2014, subject to ongoing reporting obligations and will complete the additional provider training by the fourth quarter of 2015. In addition to the costs of remediation, which were not material for the Assurance and will be up to \$34.1 million for the 2013 CFPB Consent Order, the Company estimates it will incur one-time costs of approximately \$3 million to implement these changes, and ongoing annual costs of approximately \$3 million. Although we continue to actively monitor and assess the impact on our CareCredit program of the changes required by the 2013 CFPB Consent Order and the Assurance (some of which have only recently been implemented), including the impact on program usage as providers become acclimated to the required changes, we do not believe that the 2013 CFPB Consent Order or the Assurance will have a material impact on our results of operations going forward.

On June 19, 2014, we entered into a consent order with the CFPB (the 2014 CFPB Consent Order) that requires us to refund \$56 million to cardholders who enrolled in a debt cancellation product over the telephone from January 2010 to October 2012 (\$11 million of which was refunded prior to the 2014 CFPB Consent Order), pay civil money penalties of \$3.5 million, and implement a compliance plan related to the sale of add-on products to the extent the Bank restarts telesales of such products (which were discontinued in October 2012).

In addition to resolving the CFPB's concerns regarding our debt cancellation sales practices, the 2014 CFPB Consent Order resolved an unrelated issue that arose from the Bank's self-identified omission of certain Spanish-speaking customers and customers residing in Puerto Rico from two offers that were made to certain delinquent customers. We discovered this issue through an audit of our collection operations in 2012, reported it to the CFPB and initiated a voluntary remediation program, which resulted in payments, balance credits and balance waivers of \$132 million. The CFPB conducted a review of the collection offer omissions and also referred the matter to DOJ, which commenced an investigation in March 2014. At the same time we entered into the 2014 CFPB Consent Order, we entered into a

consent order with the DOJ (the 2014 DOJ Consent Order, and together with the 2014 CFPB Consent Order, the 2014 Consent Orders) to settle a complaint filed by the DOJ on June 19, 2014 in the United States District Court for the District of Utah alleging claims under the Equal Credit Opportunity Act related to our collections offer omissions. The 2014 DOJ Consent Order is subject to court

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approval, which was received on June 26, 2014. The 2014 DOJ Consent Order is similar to the 2014 CFPB Consent Order and does not impose any additional requirements on us. The 2014 Consent Orders require us to complete our remediation program by providing additional payments, balance credits and balance waivers of \$37 million and to update our credit bureau reporting relating to the affected accounts. Of the approximately \$169 million in total consumer remediation (including the \$132 million completed prior to the 2014 Consent Orders and the \$37 million that remains to be completed), \$158 million consists of balance credits and waivers to previously charged-off accounts. In addition to the consumer remediation, the 2014 Consent Orders require us to implement a fair lending compliance plan (including fair lending reviews, audits and training), which will, in part, be satisfied by our existing compliance processes. Although we do not believe that the 2014 Consent Orders themselves will have a material adverse effect on results of operations going forward, we cannot be sure whether the settlement will have an adverse impact on our reputation or whether any similar actions will be brought by state attorney generals or others, all of which could have a material adverse effect on us.

GECC's Regulatory Status

GECC is a regulated savings and loan holding company and therefore is subject to all of the regulatory obligations to which we are subject. Until the GE SLHC Deregistration, GECC's regulatory obligations as a savings and loan holding company may, for reasons related or unrelated to us, materially and adversely affect us, including restricting our ability to initiate, pay dividends or repurchase stock or continue various business activities or practices.

As a nonbank SIFI, GECC is subject to enhanced prudential standards under the Dodd-Frank Act and regulation by the Federal Reserve Board, which is expected to include regulatory capital requirements. Nonbank SIFIs, such as GECC, currently are subject to some, but not all, of the enhanced prudential standards under the Dodd-Frank Act. The Federal Reserve Board has issued regulations implementing certain of the enhanced prudential standards of the Dodd-Frank Act for bank holding companies and foreign banking organizations, but not for nonbank SIFIs. In connection with these regulations, the Federal Reserve Board has indicated that it will apply enhanced prudential standards to an individual nonbank SIFI, such as GECC, by rule or order. Although the enhanced prudential standards currently applicable to GECC in its capacity as a nonbank SIFI do not have the effect of imposing direct regulatory obligations on us, we cannot be certain that standards imposed by rule or order on GECC as a nonbank SIFI by the Federal Reserve Board in the future will not have the effect of directly or indirectly imposing obligations or restrictions on us so long as we are controlled by GECC for bank regulatory purposes.

Privacy

We, along with the Bank, are subject to various privacy, information security and data protection laws, including requirements concerning security breach notification. For example, in the United States, certain of our businesses are subject to the GLBA and implementing regulations and guidance. Among other things, the GLBA: (i) imposes certain limitations on the ability of financial institutions to share consumers' nonpublic personal information with nonaffiliated third parties, (ii) requires that financial institutions provide certain disclosures to consumers about their information collection, sharing and security practices and affords customers the right to opt out of the institution's disclosure of their personal financial information to nonaffiliated third parties (with certain exceptions) and (iii) requires financial institutions to develop, implement and maintain a written comprehensive information security program containing safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of customer information processed by the financial institution as well as plans for responding to data security breaches. Federal and state laws also require us to respond appropriately to data security breaches. We, along with the Bank have a program to comply with applicable privacy, information security, and data protection requirements imposed by federal, state, and foreign laws, including the GLBA. See also Risk Factors Risks Relating to Regulation Regulations relating to privacy, information security and data protection could

increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities.

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GE Transfer of Unrelated Bank

As part of the Separation (assuming it is accomplished by the Split-off), GE intends to transfer ownership of GE Capital Bank (a bank that is and will be separate from and unrelated to Synchrony and the Bank) from one of its subsidiaries to another. GE has indicated to us that it does not believe that this transfer requires an application to, or an approval or non-objection by, any bank regulatory authorities. However, if those authorities disagree and were to require an application or other opportunity for approval or non-objection, we cannot predict what action the authorities might take on such an application or notice, or what conditions or restrictions, if any, the regulators might impose in connection with any such action. Any such action, or any conditions or restrictions in connection with such action, could have a material adverse effect on GE's ability to retain that bank and could affect GE's willingness to proceed with the Separation as currently planned.

Money Laundering and Terrorist Financing Prevention Program

We maintain an enterprise-wide program designed to enable us to comply with all applicable anti-money laundering and anti-terrorism financing laws and regulations, including the Bank Secrecy Act and the Patriot Act. This program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering or terrorist financing posed by our products, services, customers and geographic locale. These controls include procedures and processes to detect and report suspicious transactions, perform customer due diligence, respond to requests from law enforcement, and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. The program is coordinated by a compliance officer, undergoes an annual independent audit to assess its effectiveness, and requires training of employees.

Sanctions Programs

We have a program designed to comply with applicable economic and trade sanctions programs, including those administered and enforced by the United States Department of the Treasury's Office of Foreign Assets Control. These sanctions are usually targeted against foreign countries, terrorists, international narcotics traffickers and those believed to be involved in the proliferation of weapons of mass destruction. These regulations generally require either the blocking of accounts or other property of specified entities or individuals, but they may also require the rejection of certain transactions involving specified entities or individuals. We maintain policies, procedures and other internal controls designed to comply with these sanctions programs.

Environmental and Health and Safety Matters

We are subject to various environmental, health and safety laws and regulations.

Table of Contents**MANAGEMENT****Directors and Executive Officers**

The following table sets forth certain information concerning our directors and executive officers as of the completion of the IPO:

Name	Age	Positions
Margaret M. Keane	55	President, Chief Executive Officer and Director
Brian D. Doubles	39	Executive Vice President, Chief Financial Officer and Treasurer
Henry F. Greig	51	Executive Vice President, Chief Risk Officer
Jonathan S. Mothner	50	Executive Vice President, General Counsel and Secretary
David P. Melito	49	Senior Vice President, Chief Accounting Officer and Controller
Thomas M. Quindlen	51	Executive Vice President and Chief Executive Officer Retail Card
Glenn P. Marino	58	Executive Vice President and Chief Executive Officer Payment Solutions and Chief Commercial Officer
David Fasoli	56	Executive Vice President and Chief Executive Officer CareCredit
William H. Cary	55	Director
Daniel O. Colao	48	Director
Alexander Dimitrief	55	Director
Roy A. Guthrie	61	Director
Richard C. Hartnack	68	Director
Anne Kennelly Kratky	53	Director
Jeffrey G. Naylor	55	Director
Dmitri L. Stockton	50	Director

The following sets forth certain biographical information with respect to our executive officers and directors.

Margaret M. Keane has been our President, Chief Executive Officer since February 2014 and has served as Chief Executive Officer and President of GE's North American retail finance business since April 2011. She has also been a member of our board of directors since 2013 and a member of the board of directors of the Bank since 2009. From June 2004 to April 2011, Ms. Keane served as President and Chief Executive Officer of the Retail Card platform of GE's North American retail finance business. From January 2002 to May 2004, Ms. Keane served as Senior Vice President of Operations of the Retail Card platform of GE's North American retail finance business. From January 2000 to December 2001, Ms. Keane served as Chief Quality Leader of GECC. From October 1999 to December 1999, Ms. Keane served as Shared Services Leader for GECC's Mid-Market Leasing Businesses. Prior to that, Ms. Keane served in various operations and quality leadership roles at GECC and Citibank. Ms. Keane was named a GE Officer in 2005 and a GECC Officer in 1996. Ms. Keane received a B.A. in Government and Politics and an M.B.A. from St. John's University. Ms. Keane was designated to our board of directors by GE. We believe that Ms. Keane should serve as a member of our board of directors due to her extensive experience in the retail finance business and the perspective she brings as our Chief Executive Officer and President.

Brian D. Doubles has been our Executive Vice President, Chief Financial Officer and Treasurer since February 2014 and has served as Chief Financial Officer of GE's North American retail finance business since January 2009 and a member of the board of directors of the Bank since 2009. From July 2008 to January 2009, Mr. Doubles served as Vice President of Financial Planning and Analysis of GE's global consumer finance business. From March 2007 to July 2008, Mr. Doubles led the winddown of GE's U.S. mortgage business (WMC Mortgage) as Chief Financial

Officer and subsequently Chief Executive Officer. From May 2006 to March 2007, Mr. Doubles served as Vice President Financial Planning and Analysis of GE's North American retail finance business. From January 2001 to May 2006, Mr. Doubles served in roles of increasing responsibility for GE's

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internal audit staff. From February 1997 to January 2001, Mr. Doubles held various roles as part of a GE management leadership program. Mr. Doubles was named a GECC Officer in 2009. Mr. Doubles received a B.S. in Engineering from Michigan State University.

Henry F. Greig has been our Executive Vice President, Chief Risk Officer since February 2014 and has served as Chief Risk Officer of GE's North American retail finance business since October 2010 and the Bank since May 2011 and a member of the board of directors of the Bank since 2011. From June 2004 to October 2010, Mr. Greig served as Chief Risk Officer of the Retail Card platform of GE's North American retail finance business. From December 2002 to June 2004, Mr. Greig served as Vice President of Risk for GE's North American retail finance business. From June 2000 to December 2002, Mr. Greig served as Vice President of Information & Customer Marketing of GE's North American retail finance business. Prior to that, Mr. Greig served in various business and risk positions with GE affiliates. Mr. Greig was named a GECC Officer in 2010. Mr. Greig received an A.B. in Mathematics from Bowdoin College and an M.S. in Applied Mathematics from Rensselaer Polytechnic Institute.

Jonathan S. Mothner has been our Executive Vice President, General Counsel and Secretary since February 2014 and has served as General Counsel for GE's North American retail finance business since January 2009 and the Bank since September 2011. From December 2005 to July 2009, Mr. Mothner served as Chief Litigation Counsel and Chief Compliance Officer of GE's global consumer finance business. From June 2004 to December 2005, Mr. Mothner served as Chief Litigation Counsel and head of the Litigation Center of Excellence of GE Commercial Finance. From May 2000 to June 2004, Mr. Mothner served as Litigation Counsel of GE's global consumer finance business. Mr. Mothner was named a GECC Officer in 2005. Prior to joining GECC, Mr. Mothner served in various legal roles in the U.S. Department of Justice and a private law firm. Mr. Mothner received a B.A. in Economics from Hobart College and a J.D. from New York University School of Law.

David P. Melito has been our Senior Vice President, Chief Accounting Officer and Controller since February 2014 and has served as Controller for GE's North American retail finance business since March 2009. From January 2008 to March 2009, Mr. Melito served as Global Controller, Technical Accounting for GE Capital Aviation Services. From January 2001 to January 2008, Mr. Melito served as Global Controller, Technical Accounting for GE Capital Commercial Finance. Prior to that, Mr. Melito worked in public accounting. Mr. Melito holds a B.A. in Accounting from Queens College, City University of New York and is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

Thomas M. Quindlen has been our Executive Vice President and Chief Executive Officer of our Retail Card platform since February 2014 and has served as Vice President of the Retail Card platform for GE's North American retail finance business since December 2013. From January 2009 to December 2013, Mr. Quindlen served as Vice President and Chief Executive Officer of GECC Corporate Finance. From November 2005 to January 2009, Mr. Quindlen served as President of GECC Corporate Lending, North America. From March 2005 to November 2005, Mr. Quindlen served as Vice President and Chief Marketing Officer of GECC Commercial Financial Services. From May 2002 to March 2005, Mr. Quindlen served as President and Chief Executive Officer of GECC Franchise Finance. From September 2001 to May 2002, Mr. Quindlen served as Senior Vice President of GECC Global Six Sigma for Commercial Equipment Financing. Prior to that, Mr. Quindlen served in various sales, marketing, business development and financial positions with GE affiliates. Mr. Quindlen was named a GE Officer in 2005 and a GECC Officer in 2001. Mr. Quindlen received a B.S. in Accounting from Villanova University.

Glenn P. Marino has been our Executive Vice President and Chief Executive Officer of our Payment Solutions platform and our Chief Commercial Officer since February 2014 and has served as Chief Executive Officer of the Payment Solutions platform and as Chief Commercial Leader of GE's North American retail finance business since December 2011. From July 2002 to December 2011 Mr. Marino served as Chief Executive Officer of the Sales

Finance platform of GE's North American retail finance business. From

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March 1999 to July 2002, Mr. Marino served as Chief Executive Officer of Monogram Credit Services, a joint venture between GE and BankOne (now JPMorgan Chase & Co.). From February 1996 to March 1999, Mr. Marino served as Chief Risk Officer of the Visa/MasterCard division of GE's North American retail finance business. Prior to that, Mr. Marino served as Vice President of Risk within Citigroup's U.S. retail banking business. Mr. Marino was named a GE Officer in 2006 and a GECC Officer in 1999. Mr. Marino received a B.S. in Biology from Syracuse University and an M.B.A. from the University of Michigan.

David Fasoli has been our Executive Vice President and Chief Executive Officer of our CareCredit platform since February 2014 and has served as President and Chief Executive Officer of the CareCredit platform of GE's North American retail finance business since March 2008. From June 2003 to March 2008, he served as General Manager of Home and Recreational Products Business of GE's North American retail finance business. Prior to June 2003, Mr. Fasoli served as Vice President of Client Development of GE's North American retail finance business and held several positions of increasing responsibility within GE and GE's North American retail finance business in Finance, Client Development, Business Integration and Quality. Mr. Fasoli was named a GECC Officer in 2007. Mr. Fasoli received a B.S. in Business and Economics from the State University of New York at Albany.

William H. Cary has been a member of our board of directors since February 2014. Mr. Cary has served as President and Chief Operating Officer of GECC since November 2008. From February 2008 to November 2008, Mr. Cary served as President and Chief Executive Officer of GE's global consumer finance business. From January 2006 to February 2008, Mr. Cary served as President and Chief Executive Officer of GE's European consumer finance business. From February 2004 to January 2006, Mr. Cary served as Corporate Vice President, Investor Relations of GE Corporate Finance. From October 2002 to February 2004, Mr. Cary served as Corporate Vice President, Financial Planning and Analysis. From January 2001 to October 2002, Mr. Cary served as President and Chief Executive Officer of GE Capital Vendor Financial Services. From April 1996 to January 2001, Mr. Cary served as Vice President and Manager, Financial Planning and Analysis of GECC. Mr. Cary was named a GE Officer in 1999 and a GECC Officer in 1999. Mr. Cary received a B.A. in Finance from San Jose State University. Mr. Cary was designated to our board of directors by GE. We believe that Mr. Cary should serve as a member of our board of directors due to his extensive background in finance (including consumer finance) and his experience as a leader in both financial and operational roles.

Daniel O. Colao has been a member of our board of directors since February 2014. Mr. Colao has served as Vice President, Financial Planning and Analysis of GECC since January 2011. From July 2008 to January 2011, Mr. Colao served as Chief Financial Officer of GE Asset Management. From March 2007 to July 2008, Mr. Colao served as Managing Director and as Chief Financial Officer for two divisions of Lehman Brothers. From September 1999 to March 2007, Mr. Colao served in various Chief Financial Officer roles in several GECC businesses including Real Estate, Consumer Auto Finance, Fleet Services, Vendor Financial Services and Aviation Services. Prior to that, Mr. Colao served in various financial roles at GE and GECC. Mr. Colao was named a GE Officer in 2013 and a GECC Officer in 2004. Mr. Colao received a B.S. in Finance from Boston College. Mr. Colao was designated to our board of directors by GE. We believe that Mr. Colao should serve as a member of our board of directors due to his extensive background in finance and leadership experience, including more than 10 years served as a chief financial officer of various businesses.

Alexander Dimitrief has been a member of our board of directors since February 2014. Mr. Dimitrief has served as Senior Vice President and General Counsel of GECC since October 2012. From November 2011 to October 2012, Mr. Dimitrief served as Vice President and General Counsel of GE Energy. From February 2007 to November 2011, Mr. Dimitrief served as Vice President for Litigation and Legal Policy at GE. Mr. Dimitrief was named a GE Officer in 2007 and a GECC Officer in 2012. Prior to February 2007, Mr. Dimitrief was a senior partner at Kirkland & Ellis LLP. Mr. Dimitrief received a B.A. in Economics and Political Science from Yale College and a J.D. from Harvard

Law School. Mr. Dimitrief was designated to our board of directors by GE. We believe that Mr. Dimitrief should serve as a member of our board of directors due to his extensive experience in the areas of law and compliance spanning many industries and subject areas, including the financial services industry.

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Roy A. Guthrie joined our board at the time of the IPO. From July 2005 to January 2012, Mr. Guthrie served as Executive Vice President, and from July 2005 to May 2011 as Chief Financial Officer, of Discover Financial Services, Inc. From September 2000 to July 2004, Mr. Guthrie served as President and Chief Executive Officer of various businesses of Citigroup Inc., including CitiFinancial International from 2000 to 2004 and CitiCapital from 2000 to 2001. From April 1978 to September 2000, Mr. Guthrie served in various roles of increasing responsibility at Associates First Capital Corporation. Mr. Guthrie serves on the board of directors of Nationstar Mortgage Holdings, Inc., an originator and servicer of real estate mortgage loans, Springleaf Holdings, LLC, a financial services company, LifeLock, Inc., a company offering identity theft protection and detection services, Garrison Capital, Inc., a closed-end management investment company, and Bluestem Brands, Inc., a multi-brand retailer, and served on the board of directors of Discover Bank. Mr. Guthrie received a B.A. in Economics from Hanover College and an M.B.A. from Drake University. We believe that Mr. Guthrie should serve as a member of our board of directors due to his leadership experience and extensive background in consumer finance (including the private label credit card industry), including more than 30 years of experience in finance and/or operating roles.

Richard C. Hartnack joined our board at the time of the IPO. From April 2005 to February 2013, Mr. Hartnack served as Vice Chairman and Head, Consumer and Small Business Banking of U.S. Bancorp. From June 1991 to March 2005, Mr. Hartnack served in various leadership roles at Union Bank, N.A. (formerly known as Union Bank of California, N.A.), including Vice Chairman, Director and Head, Community Banking and Investment Services from 1999 to 2005. From June 1982 to May 1991, Mr. Hartnack served in various leadership roles at First Chicago Corporation, including Executive Vice President and Head, Community Banking. Mr. Hartnack serves on the board of directors of Federal Home Loan Mortgage Corporation and has served on the board of directors of MasterCard International, Inc. and UnionBanCal Corporation. Mr. Hartnack received a B.A. in Economics from the University of California, Los Angeles and a M.B.A. from Stanford University. We believe that Mr. Hartnack should serve as a member of our board of directors due to his leadership experience and extensive background in consumer finance and banking accumulated over the course of a 40 year career in the banking industry.

Anne Kennelly Kratky has been a member of our board of directors since February 2014. Ms. Kratky has served as Deputy Treasurer and Chief Risk Officer of GE Corporate Treasury since August 2011. From October 2006 to August 2011, Ms. Kratky served as Chief Risk Officer of GECC Aviation Financial Services. From November 2005 to October 2006, Ms. Kratky served as Chief Risk Officer of Global Media and Communications for GE Capital Americas. From January 2004 to November 2005, Ms. Kratky served as Chief Risk Officer of Commercial and Industrial for GE Capital Solutions and from July 1998 to January 2004, served as Managing Director of GE Capital Structured Finance Group. Ms. Kratky was named a GE Officer in 2012 and a GECC Officer in 2006. Ms. Kratky received a B.S. in Systems Analysis from Miami University in Ohio. Ms. Kratky was designated to our board of directors by GE. We believe that Ms. Kratky should serve as a member of our board of directors due to her extensive background and leadership experience in risk management, including more than 10 years served as a chief risk officer of various businesses and treasury.

Jeffrey G. Naylor joined our board at the time of the IPO. Mr. Naylor has served as Founder and Managing Director of Topaz Consulting, LLC, a financial consulting firm, since April 2014. From February 2013 to April 2014, Mr. Naylor served as Senior Corporate Advisor of the TJX Companies, Inc. From January 2012 to February 2013, Mr. Naylor served as Senior Executive Vice President and Chief Administrative Officer of the TJX Companies, Inc., from February 2009 to January 2012, he served as its Senior Executive Vice President, Chief Financial and Administrative Officer, from June 2007 to February 2009, he served as its Senior Executive Vice President, Chief Administrative and Business Development Officer, from September 2006 to June 2007, he served as its Senior Executive Vice President, Chief Financial and Administrative Officer, and from February 2004 to September 2006, he served as its Chief Financial Officer. From September 2001 to January 2004, Mr. Naylor served as Senior Vice President and Chief Financial Officer of Big Lots, Inc. From September 2000 to September 2001, Mr. Naylor served as Senior Vice

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President, Chief Financial and Administrative Officer of Dade Behring, Inc. From November 1998 to September 2000, he served as Vice President, Controller of The

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Limited, Inc. Mr. Naylor serves on the board of directors of The Fresh Market, Inc., a grocery retailer, and Emerald Expositions, which conducts business and consumer trade shows. Mr. Naylor received a B.A. in Economics and Political Science and an M.B.A. from the J.L. Kellogg Graduate School of Management, Northwestern University. We believe that Mr. Naylor should serve as a member of our board of directors due to his executive management and leadership experience, his extensive financial and accounting background and his considerable experience accumulated over the course of 25 years in the retail and consumer goods industries.

Dmitri L. Stockton has been a member of our board of directors since February 2014. Mr. Stockton has served as President and Chief Executive Officer of GE Asset Management since May 2011. From November 2008 to April 2011, Mr. Stockton served as Chief Executive Officer of GE Capital Global Banking. From October 2004 to December 2008, Mr. Stockton served as President and Chief Executive Officer of GE's Central and Eastern European consumer finance business. From September 2001 to October 2004, Mr. Stockton served as Chief Executive Officer of GE's Swiss consumer finance business. From August 1999 to September 2001, Mr. Stockton served as Senior Vice President of GE Mortgage Insurance. Mr. Stockton was named a GE Officer in 2005. Mr. Stockton received a B.S. in Accounting from North Carolina Agricultural Technical State University School of Business and Economics. Mr. Stockton was designated to our board of directors by GE. We believe that Mr. Stockton should serve as a member of our board of directors due to his extensive background in finance (including consumer finance), banking and asset management and leadership experience in various businesses.

Status as a Controlled Company under NYSE Listing Standards

Our common stock is listed on the NYSE and, as a result, we are subject to the NYSE's corporate governance listing standards. However, a listed company that meets the NYSE's definition of "controlled company" (i.e., a company of which more than 50% of the voting power is held by a single entity or group), may elect not to comply with certain of these requirements. Consistent with this, the Master Agreement provides that, so long as GE owns more than 50% of our outstanding common stock and we are therefore a "controlled company," we will elect not to comply with the corporate governance standards of the NYSE requiring: (i) a majority of independent directors on the board of directors, (ii) a fully independent corporate governance and nominating committee and (iii) a fully independent compensation committee. As discussed below, six of our nine directors, including one member of the board of directors' Nominating and Corporate Governance Committee and one member of the board of directors' Management Development and Compensation Committee, do not qualify as "independent directors" under the applicable rules of the NYSE.

Board Leadership Structure

Our board of directors is led by Mr. Hartnack, an independent director serving as non-executive Chairman. We believe that having an independent director serve as the non-executive Chairman of the board of directors is in the best interests of our stockholders in light of the fact that we are a newly public company as well as a "controlled company" with GE as our majority stockholder. The separation of roles allows our Chairman to focus on the organization and effectiveness of our board of directors and any potential conflicts of interest with GE that require review by the independent members of the board of directors. At the same time, it allows our Chief Executive Officer to focus on executing our strategy and managing our operations, performance and risk.

Composition of the Board of Directors

Our board of directors has nine members, consisting of our Chief Executive Officer (who is an officer of GE), five other officers of GE and three directors who are "independent" under the listing standards of the NYSE. Messrs. Hartnack, Guthrie and Naylor, who serve as independent directors, were selected by GE following an extensive search

conducted with the assistance of a third party search firm and a review by GE and Synchrony of these individuals experience, qualifications, attributes, skills and independence from both companies.

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Under our certificate of incorporation, the number of directors constituting our entire board of directors will be fixed from time to time by resolution of our board of directors. The Master Agreement provides that, until GE's beneficial ownership of our common stock decreases below 20%, we cannot change the size of our board of directors without GECC's prior written approval.

Under our bylaws, our directors will be elected annually by plurality vote. As discussed under Committees of the Board of Directors below, our Nominating and Corporate Governance Committee will be responsible for recommending to our board of directors, for their approval, the director nominees to be presented for stockholder approval at the annual meeting. Until the GE SLHC Deregistration, the Master Agreement gives GECC the right to designate a specified number of persons for nomination by our board of directors at any stockholder meeting at which directors are to be elected. The number will vary with the level of GE's beneficial ownership of our outstanding common stock, as follows:

when GE beneficially owns more than 50% of our outstanding common stock, GECC will be entitled to designate five persons for nomination (a majority of the board of directors' nominees for election);

when GE beneficially owns at least 33% and no more than 50% of our outstanding common stock, GECC will be entitled to designate four persons for nomination;

when GE beneficially owns at least 20% but less than 33% of our outstanding common stock, GECC will be entitled to designate three persons for nomination;

when GE beneficially owns at least 10% but less than 20% of our outstanding common stock, GECC will be entitled to designate two persons for nomination; and

when GE beneficially owns less than 10% of our outstanding common stock, GE will be entitled to designate one person for nomination.

In the event that (with GECC's approval) the size of our board of directors is changed, GECC will have the right to designate a proportional number of persons for nomination for election to the board of directors (rounded up to the nearest whole number).

Under the Master Agreement, our Nominating and Corporate Governance Committee or our board of directors must consider for approval in good faith each person designated by GECC for nomination for election to the board of directors, applying the same standards as shall be applied for the consideration of other proposed nominees for election as directors. We are required to recommend and solicit proxies in favor of, and to otherwise use our best efforts to cause the election of, each person designated by GECC whose nomination has been approved. In the event that the committee or the board of directors does not approve the nomination of any person designated by GECC, GECC shall have the right to designate an alternative person for consideration.

The holders of any outstanding series of our preferred stock may have the right to elect certain directors under certain limited circumstances.

Unaffiliated Director Compensation

Our compensation program for independent directors and other non-management directors who are not employees of the GE Group (collectively, Unaffiliated Directors) is designed to achieve the following goals: (a) fairly pay directors for work required at a company of our size and scope of operations; (b) align directors' interests with the long-term interests of our stockholders; and (c) have a compensation structure that is simple, transparent and easy for stockholders to understand. Our Nominating and Corporate Governance Committee will review director compensation annually.

Each Unaffiliated Director will receive annual compensation of \$160,000, of which \$50,000 will be paid in cash and \$110,000 will be paid in RSUs. The RSUs will be subject to a three-year vesting period and will be credited with amounts equivalent to any regular quarterly dividends paid on our common stock, which amounts

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will be reinvested in additional RSUs. In light of the workload and broad responsibilities of their positions, certain Unaffiliated Directors will receive additional compensation as follows: the Chairman of our board of directors will receive an additional \$90,000 in annual cash compensation, the chairs of the Audit Committee and Risk Committee will each receive an additional \$35,000 in annual cash compensation and the chairs of the Nominating and Corporate Governance Committee, the Management Development and Compensation Committee and any other board committees will each receive an additional \$20,000 in annual compensation. Separately, for each board committee meeting attended, an Unaffiliated Director will receive \$2,000 in cash. If an Unaffiliated Director is also a director of the Bank and attends a meeting of a Bank committee that takes place on a day when the analogous board committee is not meeting, the Unaffiliated Director will receive \$2,000 in cash for such meeting. Unaffiliated Directors can defer up to 80% of their annual cash compensation and RSUs into deferred stock units which will be paid out after they leave our board.

We intend to require each Unaffiliated Director to own at least \$250,000 in our common stock, RSUs or deferred stock units while a member of our board. Each Unaffiliated Director will have four years to satisfy this requirement. Individual and joint holdings of our common stock with immediate family members, including unvested time-based restricted stock, RSUs and deferred stock units will count toward this requirement.

Committees of the Board of Directors

The standing committees of our board of directors consist of an Audit Committee, a Nominating and Corporate Governance Committee, a Management Development and Compensation Committee, and a Risk Committee. These committees are described below. Our board of directors may also establish various other committees to assist it in its responsibilities. However, the Master Agreement provides that, until the GE SLHC Deregistration, without GECC's prior written approval, our board of directors will not establish an executive committee or any other committee having powers typically delegated to an executive committee.

Audit Committee. The primary responsibilities of this committee include:

selecting, evaluating, compensating and overseeing the independent registered public accounting firm;

reviewing the audit plan, changes in the audit plan, and the nature, timing, scope and results of the audit to be conducted by the independent registered public accounting firm;

overseeing our financial reporting activities, including our annual report, and the accounting standards and principles followed;

reviewing and discussing with management and the independent auditor, as appropriate, the effectiveness of the Company's internal control over financial reporting and the Company's disclosure controls and procedures;

as required by NYSE listing standards, reviewing our major financial risk exposures (and the steps management has taken to monitor and control these risks) and the Company's risk assessment and risk

management practices and the guidelines, policies and processes for risk assessment and risk management;

in conjunction with the Risk Committee, overseeing our risk guidelines and policies relating to financial statements, financial systems, financial reporting processes, compliance and auditing, and allowance for loan losses;

approving audit and non-audit services provided by the independent registered public accounting firm;

meeting with management and the independent registered public accounting firm to review and discuss our financial statements and other matters;

establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters;

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overseeing our internal audit function, including reviewing its organization, performance and audit findings, and reviewing our disclosure and internal controls; and

overseeing the Company's compliance with applicable legal, ethical and regulatory requirements (other than those assigned to other committees of the board of directors).

The Audit Committee is comprised of three directors, all of whom are independent under the listing standards of the NYSE and the Company's independence guidelines, and meet the SEC's independence requirements for audit committee membership. The Audit Committee is comprised of at least one audit committee financial expert as defined in the SEC's rules. Initially, the Audit Committee is comprised of Messrs. Naylor (chair), Guthrie and Hartnack.

Nominating and Corporate Governance Committee. The primary responsibilities of this committee include:

developing, and recommending to our board of directors for approval, qualifications for director candidates, taking into account applicable regulatory or legal requirements regarding experience, expertise or other qualifications for service on certain of our board's committees;

reviewing GE's designees for nomination for election to our board of directors pursuant to the Master Agreement, considering potential director nominees properly recommended by other stockholders, leading the search for other individuals qualified to become members of the board of directors, and recommending to our board of directors for approval the director nominees to be presented for stockholder approval at the next annual meeting;

reviewing and making recommendations to our board of directors, taking into account the Master Agreement as appropriate, with respect to the board's leadership structure and the size and composition of the board of directors and the board committees;

developing and annually reviewing our governance principles;

annually reviewing director compensation and benefits;

overseeing the annual self-evaluation of our board of directors and its committees;

reviewing and, if appropriate, approving or ratifying transactions with related persons required to be disclosed under SEC rules;

reviewing our policies and procedures with respect to political spending;

reviewing actions in furtherance of our corporate social responsibility;

reviewing and resolving any conflict of interest involving directors or executive officers;

overseeing the risks, if any, related to our corporate governance structure and practices; and

identifying and discussing with management the risks, if any, related to our social responsibility actions and public policy initiatives.

Under the Master Agreement, so long as GE beneficially owns more than 50% of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of three directors, one of whom will be designated by GECC from among the directors it has designated for nomination and two of whom will be independent under the listing standards of the NYSE and the Company's independence guidelines. When GE beneficially owns 50% or less of our outstanding common stock, the Nominating and Corporate Governance Committee will be comprised of three directors, each of whom will be independent under the listing standards of the NYSE and the Company's independence guidelines. Initially the Nominating and Corporate Governance Committee is comprised of Messrs. Hartnack (chair), Guthrie and Dimitrief.

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Management Development and Compensation Committee. The primary responsibilities of this committee include:

assisting our board of directors in developing and evaluating potential candidates for executive positions, including the Chief Executive Officer, and overseeing our management resources, structure, succession planning, development and selection process;

evaluating the Chief Executive Officer's performance, and recommending for approval by the independent members of our board of directors, and by GE, the Chief Executive Officer's annual compensation;

evaluating the performance of other senior executives and recommending for approval by our board of directors and, where required, by GE, each senior executive's annual compensation based on initial recommendations from the Chief Executive Officer;

reviewing incentive compensation arrangements with a view to appropriately balancing risk and financial results in a manner that does not encourage employees to expose us or any of our subsidiaries to imprudent risks, and are consistent with safety and soundness, and reviewing (with input from our CRO and the Bank's CRO) the relationship between risk management policies and practices, corporate strategies and senior executive compensation; and

overseeing incentive compensation plans and programs, including any equity-based compensation plans. Under the Master Agreement, so long as GE beneficially owns more than 50% of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, one of whom will be designated by GECC from among the directors it has designated for nomination, and two of whom will be independent under the listing standards of the NYSE and the Company's independence guidelines. When GE beneficially owns 50% or less of our outstanding common stock, the Management Development and Compensation Committee will be comprised of three directors, each of whom will be independent under the listing standards of the NYSE and the Company's independence guidelines within the time period permitted for such a transition by the NYSE. At all times, at least two members of the Management Development and Compensation Committee will qualify as both an outside director within the meaning of Section 162(m) of the Code and a non-employee director within the meaning of Rule 16b-3 under the Exchange Act. Initially the Management Development and Compensation Committee is comprised of Messrs. Cary (chair), Hartnack and Naylor.

Risk Committee. The primary responsibilities of this committee include:

assisting our board of directors in its oversight of our enterprise-wide risk management framework, including as it relates to credit, investment, market, liquidity, operational, compliance and strategic risks;

reviewing and, at least annually, approving our risk governance framework, and our risk assessment and risk management practices, guidelines and policies, including significant policies that management uses to

manage credit and investment, market, liquidity, operational, compliance and strategic risks;

reviewing and, at least annually, recommending to our board of directors for approval, our enterprise-wide risk appetite, including our liquidity risk tolerance, and reviewing and approving our strategy relating to managing key risks and other policies on the establishment of risk limits as well as the guidelines and policies for monitoring and mitigating such risks;

meeting separately on a regular basis with our CRO and (in coordination with the Bank's Risk Committee, as appropriate) the Bank's CRO;

receiving periodic reports from management on the metrics used to measure, monitor and manage known and emerging risks, including management's view on acceptable and appropriate levels of exposure;

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receiving reports from our internal audit, risk management and independent liquidity review functions on the results of risk management reviews and assessments;

reviewing and approving, at least annually, the Company's enterprise-wide capital and liquidity framework (including our contingency funding plan) and, in coordination with the Bank's Risk Committee, reviewing, at least quarterly, the Bank's allowance for loan losses, liquidity policy and risk appetite, regulatory capital policy and ratios, and internal capital adequacy assessment processes, and, at least annually, the Bank's annual capital plan and recovery and resolution plan;

reviewing, at least semi-annually, information from senior management regarding whether we are operating within our established risk appetite;

reviewing the status of financial services regulatory examinations;

reviewing the independence, authority and effectiveness of our risk management function and independent liquidity review function;

approving the appointment of, evaluating and, when appropriate, replacing the CRO; and

reviewing the disclosure regarding risk contained in our annual and quarterly reports.

Under the Master Agreement, until the GE SLHC Deregistration, the Risk Committee will be comprised of three directors, one of whom is designated by GECC from among the directors it has designated for nomination and two of whom are independent under the listing standards of the NYSE and the Company's independence guidelines. Initially the Risk Committee is comprised of Mr. Guthrie (chair), Ms. Kratky and Mr. Naylor.

Related Person Transaction Approval Policy

Our board of directors has adopted a written policy for the review, approval or ratification of transactions (known as related person transactions) between us or any of our subsidiaries and any related person, in which the amount involved since the beginning of our last completed fiscal year will or may be expected to exceed \$120,000 and in which one of our executive officers, directors or stockholders beneficially owning more than 5% of any class of our voting stock (or their immediate family members) has a direct or indirect material interest.

The policy calls for related person transactions to be reported to, and reviewed and, if deemed appropriate, approved or ratified by, the Nominating and Corporate Governance Committee. In determining whether or not to approve or ratify a related person transaction, the Nominating and Corporate Governance Committee will take into account, among other factors it deems important, whether the related person transaction is in our best interests and whether the transaction is on terms no less favorable than terms generally available to us from an unaffiliated third party under the same or similar circumstances. In the event a member of the Nominating and Corporate Governance Committee is not disinterested with respect to the related person transaction under review, that member may not participate in the review, approval or ratification of that related person transaction.

Certain decisions and transactions are not subject to the related person transaction approval policy, including: (i) decisions on compensation or benefits relating to our directors or executive officers or the hiring or retention of our executive officers, (ii) decisions relating to pro rata distributions to all our stockholders, (iii) indebtedness transactions with the Bank made in the ordinary course of business, on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans with persons not related to the lender and not presenting more than the normal risk of collectability or other unfavorable features and (iv) deposit transactions with the Bank made in the ordinary course of business and not paying a greater rate of interest on the deposits of a related person than the rate paid to other depositors on similar deposits with the Bank.

The transactions described in the section Arrangements Among GE, GECC and Our Company (collectively, the GE Specified Transactions) were entered into prior to the completion of the IPO and therefore were not approved under our related persons transaction policy. Transactions that are contemplated by

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and consistent with the GE Specified Transactions will not be subject to the policy. However, the policy applies to (i) amendments, modifications, terminations, extensions, or exercises of discretion outside the ordinary course of business, with respect to the agreements constituting GE Specified Transactions, (ii) negotiation, execution, modification, termination or extension, or exercises of discretion outside the ordinary course of business, with respect to any new agreements with GE (New Agreements) and (iii) the assertion, handling or resolution of any disputes arising under the agreements related to the GE Specified Transactions or any New Agreements, in each case involving amounts that will or may be expected to exceed \$120,000. Any executive officer of the Company who is also an officer, director or employee of GE may participate in these activities provided that he or she does so solely on behalf of the Company and under the direction of, and subject to the approval of, the Nominating and Corporate Governance Committee. Any director of the Company who is also an officer, director or other affiliate of GE may participate in these activities provided that he or she does so solely on behalf of GE, GECC or their affiliates, as applicable, and provided that the Nominating and Corporate Governance Committee has received advance notice of his or her participation. At any time at which a director of the Company who is also an officer, director or employee of GE is a member of the Nominating and Corporate Governance Committee, that director shall recuse himself or herself from all activities of the Nominating and Corporate Governance Committee relating to related person transactions with GE.

Certain of our directors and executive officers, and certain members of their immediate families, have received extensions of credit from us in connection with credit card transactions. The extensions of credit were made in the ordinary course of business on substantially the same terms, including interest rates, as those prevailing at the time for comparable transactions with other persons not related to us and did not involve more than normal risk of collectibility or present other unfavorable terms. Future extensions of credit of this nature are not subject to the related person transaction approval policy.

Compensation Discussion and Analysis

Introduction

The executive officers whose compensation we discuss in this Compensation Discussion and Analysis and whom we refer to as our named executive officers (NEOs) are Margaret M. Keane, President and Chief Executive Officer; Brian D. Doubles, Executive Vice President, Chief Financial Officer and Treasurer; Glenn P. Marino, Executive Vice President, Chief Executive Officer Payment Solutions and Chief Commercial Leader; Jonathan S. Mothner, Executive Vice President, General Counsel and Secretary; and Thomas M. Quindlen, Executive Vice President and Chief Executive Officer Retail Card.

We currently operate as a business unit of GECC and, at least for a period following the IPO, will continue to operate as a majority-owned subsidiary of GECC. As a result, in 2013, our NEOs participated in GE and GECC compensation and benefit plans, and their compensation was subject to the oversight and approval of the Compensation Committee of GECC's board of directors, as well as the Development and Compensation Committee of the Bank's board of directors (except in the case of Mr. Quindlen, who joined us from another GECC business unit in December 2013), as our executive officers are also executive officers of the Bank. Their incentive compensation and equity awards were also subject to the approval of the Chief Executive Officer of GE and the Management Development and Compensation Committee of GE's board of directors. These historical compensation arrangements are discussed below.

The Management Development and Compensation Committee of our board of directors, as well as the Bank's Development and Compensation Committee, will oversee our compensation plans, policies and programs for our NEOs. Until such time as GE ceases to own at least 50% of our outstanding common stock, these board committees will also consult with GE's Management Development and Compensation Committee and GECC's Compensation

Committee, as our NEOs' compensation will continue to be subject to their oversight and approval; and so long as GE beneficially owns more than 50% of our outstanding common stock, GECC can designate one of the three members on our Management Development and Compensation Committee. During the period in which we operate as a majority-owned subsidiary of GECC, our employees generally will continue to

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participate in GE and GECC compensation and benefit plans, but they will no longer receive equity awards under the GE 2007 Long-Term Incentive Plan. Rather, following the completion of the IPO, our employees will receive equity awards based on our common stock under the Synchrony Financial 2014 Long-Term Incentive Plan. See Management Compensation Plans Following the IPO Synchrony 2014 Long-Term Incentive Plan for more information about this plan. When GE ceases to own at least 50% of our outstanding common stock, we anticipate that our U.S. employees will be covered by benefit plans that we expect to establish.

Compensation Framework

Goals

The goal of GECC's 2013 executive compensation program for its business units, including our Company, was aligned with GE's compensation goal, which was to retain and reward leaders who create long-term value. GE's executive compensation program is designed to reward sustained financial and operating performance and leadership excellence, align executives' long-term interests with those of GE's shareowners and motivate executives to remain with GE for long and productive careers built on expertise.

Program Principles

GECC's executive compensation program for its business units, including our Company, is designed to be consistent with GECC's and our company's safety and soundness and to identify, measure, monitor and control incentive compensation arrangements so that such arrangements do not encourage excessive or imprudent risk-taking. The key principles guiding this program and underlying the oversight of this program by GECC's Compensation Committee and the Bank's Development and Compensation Committee are:

Performance rewards should be linked to business and individual performance against both qualitative and quantitative goals and objectives;

Growth Values rewards should be linked to the employee's demonstration of the behaviors and values expected of employees;

Market Competitiveness reward opportunities should be competitive with the external labor markets in which GECC and its business units compete;

Internal Equity reward opportunities should be internally equitable, subject to the individual's experience, performance and other relevant factors; and

Prudent Risk rewards, particularly incentive compensation, must not encourage excessive risk-taking and should be based in part on the long-term performance outcomes of risks taken.

Key Considerations in Setting Compensation

GECC has adopted the following key considerations in setting compensation for its business units, including our Company. These considerations are consistent with the framework established by GE in setting compensation.

Consistent and sustainable performance. GECC's executive compensation program provides the greatest pay opportunity for executives who demonstrate superior performance for sustained periods of time. It also rewards executives for executing our Company's strategy through business cycles, so that the achievement of long-term strategic objectives is not compromised by short-term considerations. The emphasis on consistent performance affects the annual cash bonus and equity incentive compensation. With the prior year's award or grant serving as an initial basis for consideration, such awards are determined based on an assessment of an executive's past performance and expected future contributions. Because current-year, past and sustainable performance are incorporated into compensation decisions, any percentage increase or decrease in the amount of annual compensation tends to be more gradual than in a framework that is focused solely or largely on current-year performance.

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Future pay opportunity versus current pay. GECC strives to provide an appropriate mix of compensation elements to achieve a balance between current versus long-term, deferred compensation, cash versus equity incentive compensation, and other features that cause the amounts ultimately received by the NEOs to appropriately reflect risk and risk outcomes. Cash payments primarily, but not exclusively, reward more recent performance, whereas equity awards encourage our NEOs to continue to deliver results over a longer period of time, and serve as a retention tool. GECC believes that the compensation paid or awarded to our NEOs should be more heavily weighted towards rewards based on our Company's sustained operating performance as well as GE's stock price performance over the long-term.

Qualitative and quantitative factors. Except with respect to payouts under GE's Long-Term Performance Awards (LTPAs), which are tied to achieving specific quantitative performance objectives, quantitative formulas are not used exclusively in determining the amount and mix of compensation. Instead, a broad range of both quantitative and qualitative factors are evaluated to avoid excessive weight being placed on any one performance measure. These factors include, but are not necessarily limited to, reliability in delivering financial growth and operating targets, performance in the context of the economic environment relative to other companies, a track record of integrity, good judgment, the vision and ability to create further growth, the ability to lead others, and other considerations that cause the amounts ultimately received by the NEOs to appropriately reflect risk and risk outcomes.

Consideration of risk. GECC's compensation program is balanced, focused on the long term and takes into consideration the full range and duration of risks associated with a NEO's activities. Under this structure, the highest amount of compensation can be achieved through consistent superior performance within the limits of GECC's stated risk appetite. In addition, significant portions of compensation are earned only over the longer term and may be adjusted during the vesting period for risk outcomes. This provides strong incentives for executives to manage our Company for the long term while avoiding excessive risk-taking in the short term. As discussed further below, both GECC's Compensation Committee and the Bank's Development and Compensation Committee review the relationship between our risk management policies and practices and the incentive compensation provided to our NEOs.

2013 Compensation Elements

The following summarizes the compensation elements used in 2013 to reward and retain our NEOs.

Base Salary

Base salaries for our NEOs depend on a number of factors, including the size, scope and impact of their role, the market value associated with their role, leadership skills and values, length of service, and individual performance and contributions. Decisions regarding salary increases are affected by the NEOs' current salary and the amounts paid to their peers within and outside our Company.

Annual Bonus

Annual cash bonuses to our NEOs are made under the GECC Executive Incentive Compensation Plan, which is funded based on an assessment of GE's and GECC's overall performance and is designed to reward executives for sustained financial and operating performance, effective risk management and overall leadership excellence. Bonus amounts are based on achieving specific performance goals for each executive and are driven by the executive's success in achieving these goals. The prior year's award serves as an initial basis for consideration. After an assessment of a NEO's ongoing performance and current year contributions to our Company's results, as well as the performance of any business or function he or she leads, judgment is used in determining the bonus amount, if any, and the resulting percentage change from the prior year. Because GE and GECC emphasize consistent performance over time,

the relative size of our NEOs' bonuses is driven by current year, past and sustainable performance, and percentage increases or decreases in the amount of annual

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compensation therefore tend to be more gradual than in a framework that is focused solely or largely on current year performance. Our NEOs will continue to participate in the GECC Executive Incentive Compensation Plan until the date on which GE ceases to own at least 50% of our outstanding common stock.

GE Equity Awards

As part of GE's equity compensation program for 2013, our NEOs received GE stock options in the amounts set forth in the 2013 Grants of GE Plan-Based Awards Table. No grants of equity awards based on our common stock were made in 2013. Important factors in determining the amount of GE stock options awarded to each NEO include the size of past grant amounts, individual performance and expected future contributions to GE. GE's equity compensation program is designed to recognize scope of responsibilities, reward demonstrated performance and leadership, align the interests of award recipients with those of GE's shareholders and retain award recipients. GE uses grants of stock options to focus its executives on delivering long-term value to its shareowners because options have value only to the extent that the price of GE stock on the date of exercise exceeds the stock price on the grant date, as well as to retain its executives, as stock options generally vest 20% per year while employed. In prior years, GE has also used grants of RSUs to reward and retain executives by offering them the opportunity to receive shares of GE stock on the date the restrictions lapse as long as they continue to be employed by GE. Although our NEOs have received grants of GE RSUs in prior years and currently hold GE RSUs, they did not receive any grants of GE RSUs in 2013. Following the IPO, the equity awards previously granted to our NEOs will continue to relate to GE equity, and service with us will be counted as service with GE for all purposes. As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest, and all unexercised GE stock options held by our employees will remain exercisable for GE common stock for five years or until the expiration of the stock option, whichever is earlier. GE's Management Development and Compensation Committee has determined that the GE RSUs held by our employees will remain outstanding and vest in accordance with their terms.

GE LTPAs

In early 2013, as part of a broader GE program, GE granted contingent LTPAs to our NEOs, which will be payable if GE achieves, on an overall basis for a three-year period (2013 through 2015), specified goals based on four equally weighted GE-specific performance metrics. These performance metrics are: (i) cumulative operating earnings per share, (ii) cumulative total cash generation, (iii) 2015 industrial earnings as a percentage of total GE earnings and (iv) 2015 return on total capital. The awards are payable in cash (or, at the discretion of GE's Management Development and Compensation Committee, in GE common stock), based on achieving threshold, target or maximum levels for any of the performance metrics, with payments prorated for performance between the established levels. As was the case with the awards granted under GE's prior long-term performance award programs, the target levels of the 2013-2015 LTPA performance metrics are challenging but achievable with good performance, whereas maximum levels represent stretch goals. For each NEO, the award is based on a multiple (e.g., in the case of Ms. Keane, 0.5x at threshold, 0.75x at target and 1.5x at maximum) of base salary and incentive compensation, and will be subject to forfeiture if the individual's employment terminates for any reason other than disability, death, retirement or in connection with a business disposition prior to the settlement of the award. Assuming the date on which GE ceases to own at least 50% of our outstanding common stock will occur prior to the LTPA 2016 payment date, our NEOs who remain employed by us until the 2016 payment date will remain eligible to receive a pro rata portion of their award from GE, based on their service from the LTPA's grant date to the date on which GE ceases to own at least 50% of our outstanding common stock and based on their annual salary then in effect on such date and the last annual bonus received prior to such date. These awards are not based on our performance, except to the extent that the results of our performance are included in GE's results.

GE Deferred Compensation

GE periodically offers both a deferred salary plan and a deferred bonus plan, with only the deferred salary plan providing for payment of an above-market rate of interest as defined by the SEC. These plans are available to

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approximately 3,600 eligible employees in GE's executive band and above, including our NEOs. These plans are described in further detail in the narrative accompanying the 2013 Nonqualified Deferred Compensation Table. Payouts for our NEOs will begin to occur in the year following the date on which GE ceases to own at least 50% of our outstanding common stock and in accordance with participants' payout elections.

GE Pension Plans

During 2013, our NEOs were eligible to participate in the same GE Pension Plan, GE Supplementary Pension Plan and GE Excess Benefits Plan in which other eligible executives and employees participate. The GE Pension Plan is a broad-based tax-qualified plan under which eligible employees may retire at age 60 or later. Unlike the GE Pension Plan, the GE Supplementary Pension Plan and the GE Excess Benefits Plan are unfunded, unsecured obligations of GE and are not qualified for tax purposes. These plans are described in further detail in the narrative accompanying the 2013 GE Pension Benefits Table. Pursuant to the terms of the Employee Matters Agreement, we will reimburse GE for the payment of pension benefits under the GE Supplementary Pension Plan and the GE Excess Benefits Plan when our NEOs are entitled to receive them. Our NEOs' benefits under these plans will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We do not intend to establish our own tax-qualified defined benefit pension plan for our employees, including our NEOs.

Transaction Awards

We have entered into transaction award agreements with certain of our employees, including each of the NEOs. These agreements are intended to provide an incentive to our management team to remain dedicated to, and to continue their employment with, our Company. Under these agreements, each of the NEOs is eligible to receive a transaction award equal to 100% of their base salary in effect as of the date they enter into the agreement plus their 2012 bonus, with 50% of the transaction award payable within 60 days following the completion of the IPO and the remaining 50% payable within 60 days following the date on which GE ceases to own at least 50% of our outstanding common stock. The transaction award will be forfeited in its entirety if a NEO voluntarily resigns or is terminated by us for cause (as determined by us). Each of the NEOs will also be subject to a non-compete/non-solicit provision for eighteen months from the date of termination of employment. These transaction award agreements are discussed in further detail under 2013 Potential Payments Upon Termination at Fiscal Year-End.

Other Compensation

Our NEOs received other benefits, reflected in 2013 All Other Compensation Table, consistent with those provided to certain GE executives, such as a leased car. In addition, as officers of GE, Ms. Keane, Mr. Marino and Mr. Quindlen received benefits provided to GE officers, such as financial counseling and tax preparation. We do not expect to provide our executive officers with all of the same types of benefits as provided to GE executives after the date on which GE ceases to own at least 50% of our outstanding common stock.

Performance Objectives and Evaluations for Our Named Executive Officers for 2013

At the beginning of 2013, Ms. Keane developed the objectives that she believed should be achieved for our Company to be successful, which were based on the 2013 objectives established for GE and for GECC and tailored to our business. These objectives include both quantitative financial measurements and qualitative strategic, operational and risk management considerations and are focused on the factors that Ms. Keane, the Chief Executive Officer of GE and the Chief Executive Officer of GECC believe create long-term shareholder value. Ms. Keane's 2013 performance was evaluated and measured against these goals by the Chief Executive Officer of GECC, GECC's Compensation Committee and the Bank's Development and Compensation Committee to develop a recommendation as to the

appropriate incentive compensation awards for her. The amount of her incentive compensation was ultimately approved by the Chief Executive Officer of GE and GE's Management Development and Compensation Committee, based on their discretion and judgment. Ms. Keane did not participate in the determination of her compensation.

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During 2013, our other NEOs other than Mr. Quindlen, who joined us in December 2013 reported directly to Ms. Keane, who developed their objectives based on our Company's objectives. Each of our other NEOs' objectives include both quantitative financial measurements and qualitative strategic, operational and risk management considerations affecting our Company and the businesses or functions that they lead. Each of our other NEOs' 2013 performance was evaluated and measured against their respective goals by the Chief Executive Officer of GECC, GECC's Compensation Committee and the Bank's Development and Compensation Committee, as well as by Ms. Keane, in the case of Mr. Marino, and by the heads of GECC's Finance and Legal functions, with input from Ms. Keane, in the case of Mr. Doubles and Mr. Mothner, respectively, to develop recommendations as to the appropriate incentive compensation awards for each of them. The amount of their incentive compensation was ultimately approved by the Chief Executive Officer of GE and GE's Management Development and Compensation Committee, based on their discretion and judgment. None of our other named executive officers participated in the determination of their compensation.

2013 Performance Objectives and Achievements

Under Ms. Keane's leadership, management delivered the following results on the qualitative and quantitative performance goals set for our Company by Ms. Keane with respect to 2013:

Prepare our Company for an initial public offering in 2014. To prepare for the IPO, we took a number of actions including: (i) the preparation of carve-out financial statements, (ii) the preparation of regulatory filings, including drafts of the S-1 Registration Statement, (iii) significant financial planning activity, (iv) substantial corporate governance activity and (v) various actions to enable us to operate as a stand-alone entity, including hiring key talent and putting retention plans in place.

Drive growth and invest in new capabilities. During 2013, we achieved 10.2% average loan receivables growth with all three sales platforms growing year over year. In January 2013, we acquired MetLife's deposit business, which is a key part of our strategy to increase our deposit base as a source of stable and diversified low cost funding. We also launched new programs with 14 partners and added more than 17,000 new partners in 2013.

Execute world-class compliance and enterprise risk management. During 2013, we meaningfully increased headcount in our regulatory and compliance groups to further invest in our compliance and enterprise risk management capabilities and to enhance our ability to work with our regulators. The Bank also achieved an outstanding rating on the publicly released examination under the Community Reinvestment Act.

Drive simplification and operational efficiencies. We significantly simplified our operating and organizational structure in 2013, which resulted in costs being in line with our goals, as adjusted for the incremental costs associated with preparing for the IPO.

Operationalize commercial excellence. For 2013, our purchase volume increased 9.3% and average active accounts increased 6.1%, as compared to 2012. We renewed three contracts through 2017-2020 with partners representing, in the aggregate, 23% of 2013 loan receivables.

Develop leadership and talent. We invested more than \$6 million in leadership development activities in 2013, including sending more than 550 employees through GE Crotonville development courses and sponsoring a pre-executive leadership program for our senior professional level employees.

Strong financial results. Our financial performance in 2013 was strong, with purchase volume of \$93.9 billion, as compared to \$85.9 billion in 2012, and loan receivables of \$57.3 billion, as compared to \$52.3 billion in 2012. Moreover, we had net earnings of \$2.0 billion in 2013, as compared to \$2.1 billion in 2012. This decrease was driven primarily by an increase in our provision for loan losses as a result of enhancements to our allowance for loan loss methodology.

Table of Contents***2013 Compensation Decisions******Ms. Keane***

GECC's Compensation Committee and the Bank's Development and Compensation Committee believe that Ms. Keane performed very well in 2013 in executing on the performance framework and 2013 financial objectives outlined above. Ms. Keane's base salary, which was last increased in October 2012, was unchanged for 2013. In light of the assessment of Ms. Keane's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, she received a \$1,150,000 cash bonus, an increase of 15% from 2012. In addition, Ms. Keane received a stock option grant to purchase 250,000 shares of GE common stock.

Mr. Doubles

In addition to his contributions toward our Company's objectives described above, the head of GECC's Finance function specifically recognized that, as the leader of our finance organization, Mr. Doubles led several key processes in preparation for the IPO, continued to maintain strong controllership of the business while simplifying accounting and legal entity structures, and reorganized the finance organization to operate more efficiently. Based on his performance, Mr. Doubles's base salary was increased by 11% to \$555,000, effective July 1, 2013. In light of the assessment of Mr. Doubles's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, he received a \$330,000 cash bonus, an increase of 10% from 2012. In addition, Mr. Doubles received a stock option grant to purchase 75,000 shares of GE common stock.

Mr. Marino

In addition to his contributions toward our Company's objectives described above, Ms. Keane specifically recognized that Mr. Marino provided strong leadership of the Payment Solutions sales platform, increasing platform revenue, executing renewals of significant programs, and developing important new products and digital marketing capabilities. In addition, his leadership of sales teams across our sales platforms resulted in the expansion of a key partner marketing effort and the launch of a comprehensive digital sales tool. Based on his performance, Mr. Marino's base salary was increased by 6% to \$675,000, effective April 1, 2013. In light of the assessment of Mr. Marino's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, he received a \$530,000 cash bonus, an increase of 10% from 2012. In addition, Mr. Marino received a stock option grant to purchase 75,000 shares of GE common stock.

Mr. Mothner

In addition to his contributions toward our Company's objectives described above, the head of GECC's Legal function specifically recognized that, as the leader of our legal organization, Mr. Mothner led a team that provided critical legal support for the negotiation of key program agreements, an important disposition, the resolution of significant regulatory and enforcement matters and the reorganization and simplification of our legal entity structure, all while controlling legal costs. In addition, he played a lead role in preparing the legal organization for the IPO. Based on his performance, Mr. Mothner's base salary was increased by 9% to \$600,000, effective October 1, 2013. In light of the assessment of Mr. Mothner's performance by GECC's Compensation Committee and the Bank's Development and Compensation Committee, he received a \$300,000 cash bonus, an increase of 20% from 2012. Mr. Mothner also received an award of \$75,000 under GECC's Extraordinary Performance Program, which rewards a small number of executives who demonstrated truly extraordinary performance over the year. Although this award is subject to the same approval process as for the annual bonus and will be reported in the Bonus column in the 2013 Summary Compensation Table, this award is distinct and separate from the annual bonus. In addition, Mr. Mothner received a

stock option grant to purchase 35,000 shares of GE common stock.

Mr. Quindlen

As Mr. Quindlen joined us as Chief Executive Officer – Retail Card, effective December 23, 2013, his 2013 incentive compensation was determined by GECC’s Compensation Committee and was awarded primarily for

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his service as Chief Executive Officer and President of GE Capital Corporate Finance (a business separate from our Company). GECC's Compensation Committee specifically recognized that Mr. Quindlen, in his prior GE role, met or exceeded his goals for net income, total volume and on-book volume, while still reducing key cost drivers. In addition, he led his prior business in the implementation of a new risk framework, the evolution of the organization to a specialty finance company, and key simplification efforts. Based on his performance, Mr. Quindlen's base salary was increased by 6% to \$680,000, effective April 1, 2013. In light of the assessment of Mr. Quindlen's performance by GECC's Compensation Committee, he received a \$760,000 cash bonus, an increase of 7% from 2012. In addition, Mr. Quindlen received a stock option grant to purchase 110,000 shares of GE common stock.

Other Compensation Practices

Role of GE, GECC, the Bank and Executives in Establishing and Implementing Compensation Goals

As noted above, in 2013, each of GECC's Compensation Committee and the Bank's Development and Compensation Committee had responsibility for overseeing and approving the compensation of our NEOs. GECC's Compensation Committee is comprised of GECC's Chairman and Chief Executive Officer, Chief Operating Officer, Chief Risk Officer, Chief Financial Officer, Chief Regulatory and Compliance Officer, Vice President and General Counsel, Vice President Human Resources, and Compensation and Benefits Leader. The Bank's Development and Compensation Committee is comprised of three independent members of the Bank's Board of Directors, Ms. Keane and the Bank's Executive Vice President, Human Resources.

All incentive and equity awards require the approval of the Chief Executive Officer of GE and GE's Management Development and Compensation Committee, based on the recommendations of GECC's Compensation Committee and the Bank's Development and Compensation Committee. In addition, each year, the Chief Executive Officer of GE and GE's Senior Vice President, Human Resources determine the annual bonus pool under the GECC Executive Incentive Compensation Plan within the overall funding limits of GE's overall incentive compensation program, as approved by GE's Management Development and Compensation Committee. Once the annual bonus pool for GECC has been approved, GECC's Compensation Committee apportions to us our bonus pool.

Review of Compensation Policies and Practices Related to Risk Management

In 2013, both GECC's Compensation Committee and the Bank's Development and Compensation Committee reviewed the relationship between our risk management policies and practices and the incentive compensation provided to our NEOs to confirm that their incentive compensation appropriately balances risk and reward and determined that our compensation policies and practices are not reasonably likely to have a material adverse effect on our Company. The Bank's Development and Compensation Committee met with the Bank's Chief Risk Officer to discuss the annual risk assessment conducted with respect to incentive compensation plans in which all employees (including the NEOs) participate, including whether these arrangements had any features that might encourage excessive risk-taking that could threaten the value of the Bank. The Bank's Chief Risk Officer also discussed the risk mitigation factors reviewed in the annual risk assessment, including the balance between financial and non-financial measures as well as the short-term and long-term oriented measures. GECC's Compensation Committee and the Bank's Development and Compensation Committee also continue to monitor a separate, ongoing risk assessment by senior management of our broader employee compensation practices consistent with the federal banking regulators' guidance on sound incentive compensation policies.

Equity Grant Practices

The exercise price of each GE stock option granted to our NEOs in 2013 was the closing price of GE stock on the date of grant, which was the date of GE's Management Development and Compensation Committee meeting at which equity awards for the NEOs were determined. GE's board and board committee meetings are generally scheduled at least a year in advance and without regard to anticipated earnings or other major announcements by GE. GE prohibits the repricing of its stock options.

Table of Contents*Potential Impact on Compensation from Executive Misconduct*

If it is determined that an executive officer has engaged in conduct detrimental to GECC or the Bank, GECC's Compensation Committee or the Bank's Development and Compensation Committee may take a range of actions to remedy the misconduct, prevent its recurrence, and impose such discipline as would be appropriate. Discipline would vary depending on the facts and circumstances, and may include, without limitation: (i) termination of employment, (ii) initiating an action for breach of fiduciary duty, (iii) reducing, cancelling or seeking reimbursement of any paid or awarded compensation and (iv) if the conduct resulted in a material inaccuracy in GE's or GECC's financial statements or performance metrics that affects the executive officer's compensation, seeking reimbursement of any portion of incentive compensation paid or awarded to the executive that is greater than what would have been paid or awarded if calculated based on the accurate financial statements or performance metrics. If it is determined that an executive engaged in fraudulent misconduct, GECC's Compensation Committee or the Bank's Development and Compensation Committee will seek such reimbursement. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

2013 Summary Compensation

The following table contains 2013 compensation information for our NEOs.

2013 Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Option Awards ⁽¹⁾	Change in Pension Value and Nonqualified Deferred Compensation		All Other Compensation ⁽³⁾	Total
					Earnings ⁽²⁾	Other		
Margaret M. Keane President and Chief Executive Officer	2013	\$ 825,000	\$ 1,150,000	\$ 1,130,000	\$ 563,573	\$ 95,255		\$ 3,763,828
Brian D. Doubles Executive Vice President, Chief Financial Officer and Treasurer	2013	\$ 527,500	\$ 330,000	\$ 339,000	\$ 57,570	\$ 29,657		\$ 1,283,727
Glenn P. Marino Executive Vice President, Chief Executive Officer Payment Solutions and Chief	2013	\$ 665,000	\$ 530,000	\$ 339,000	\$ 277,460	\$ 120,309		\$ 1,931,769

Commercial Leader

Jonathan S. Mothner	2013	\$ 562,500	\$ 375,000 ⁽⁴⁾	\$ 158,200	\$ 51,290	\$ 29,868	\$ 1,176,858
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Executive Vice President,
General Counsel and Secretary

Thomas M. Quindlen	2013	\$ 670,000	\$ 760,000	\$ 497,200	\$ 31,623	\$ 67,155	\$ 2,025,978
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Executive Vice President and
Chief Executive Officer Retail
Card

- (1) This column represents the aggregate grant date fair value of stock options granted in 2013 in accordance with SEC rules. These amounts reflect GE's accounting expense and do not correspond to the actual value that will be realized by the NEOs. GE measures the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value of options granted during 2013 was \$4.52. GE used the following

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assumptions in arriving at the fair value of options granted during 2013: risk-free interest rate of 2.5%, dividend yield of 4.0%, expected volatility of 28% and expected life of 7.5 years. See the 2013 Grants of GE Plan-Based Awards Table for further information on stock options granted in 2013.

- (2) This column represents the sum of the change in pension value and nonqualified deferred compensation earnings for each of the NEOs. The change in pension value in 2013 was \$556,095, \$56,882, \$257,064 and \$51,290 for Ms. Keane and Messrs. Doubles, Marino and Mothner, respectively. There was no change in pension value reported for Mr. Quindlen because the present value of his pension benefits decreased, which resulted from the effect of the higher discount rate assumption exceeding the effect of his benefit growth. See 2013 GE Pension Benefits for additional information, including the present value assumptions used in this calculation. In 2013, the above-market earnings on the executive deferred salary plans in which the NEOs participated were \$7,478, \$688, \$20,396 and \$31,623 for Ms. Keane and Messrs. Doubles, Marino and Quindlen, respectively. Above-market earnings represent the difference between market interest rates calculated pursuant to SEC rules and the 8.5% to 12% interest contingently credited by GE on salary deferred by the NEOs under various executive deferred salary plans in effect between 1987 and 2013. See 2013 Nonqualified Deferred Compensation for additional information.

(3) See the 2013 All Other Compensation Table for additional information.

(4) This amount includes an award of \$75,000 under GECC's Extraordinary Performance Program.

2013 All Other Compensation

In 2013, our NEOs received additional benefits, reflected in the table below, for 2013 and included in the All Other Compensation column in 2013 Summary Compensation Table that GE and GECC believed to be reasonable, competitive and consistent with their overall executive compensation programs. The incremental costs of these benefits, which are shown below after giving effect to any reimbursements by the NEOs, constitute only a small percentage of each NEO's total compensation.

2013 All Other Compensation Table

Name of Executive	Perquisites & Other Personal Benefits ⁽¹⁾		Value of Supplementary Life Insurance Premium ⁽³⁾	Payments Relating to Employer Savings Plan ⁽⁴⁾	Total
	Leased Cars ⁽²⁾				
Margaret M. Keane	\$ 18,397	\$ 25,042	\$ 42,891	\$ 8,925	\$ 95,255
Brian D. Doubles		\$ 19,090	\$ 1,642	\$ 8,925	\$ 29,657
Glenn P. Marino	\$ 51,794	\$ 20,028	\$ 39,562	\$ 8,925	\$ 120,309
Jonathan S. Mothner		\$ 14,874	\$ 6,069	\$ 8,925	\$ 29,868
Thomas M. Quindlen	\$ 5,155	\$ 24,909	\$ 28,166	\$ 8,925	\$ 67,155

- (1) Amounts in this column include financial counseling and tax preparation services for Ms. Keane and Messrs. Marino and Quindlen, and participation in the GE Executive Products and Lighting Program for Ms. Keane and Mr. Quindlen pursuant to which executives can receive GE appliances or other products with the incremental cost calculated based on the fair market value of the products received. For Mr. Marino, this column also includes \$37,594 in personal use of GE aircraft. The calculation of incremental cost for personal use of GE aircraft includes the variable costs incurred as a result of personal flight activity: a portion of ongoing maintenance and repairs, aircraft fuel, satellite communications and any travel expenses for the flight crew. It excludes non-variable costs, such as exterior paint, interior refurbishment and regularly scheduled inspections, which would have been incurred

regardless of whether there was any personal use of aircraft. Aggregate incremental cost, if any, of travel by the executive's family or other guests when accompanying the executive on both business and non-business occasions is also included.

- (2) This column includes expenses associated with GE's leased cars program, such as leasing and management fees, administrative costs, maintenance fees and gas allowance.
- (3) This column reports taxable payments made to the NEOs to cover premiums for universal life insurance policies owned by the executives. These policies include: (i) Executive Life for Ms. Keane and Messrs. Marino and Quindlen, which provides universal life insurance policies for the NEOs totaling \$3 million in coverage at the time of enrollment, increased 4% annually thereafter and (ii) Leadership Life for each of the NEOs, which provides universal life insurance policies for the NEOs with coverage of two times their annual pay (salary plus 100% of their latest bonus payments).
- (4) This column reports company matching contributions to the NEOs' 401(k) savings accounts of 3.5% of pay up to the limitations imposed under IRS rules.

Table of Contents**2013 Grants of GE Plan-Based Awards**

The following table provides information about awards granted to the NEOs in 2013: (i) the grant date, (ii) the estimated future payouts under non-equity incentive plan awards, which consist of potential payouts under the LTPA granted in 2013 for the 2013-2015 performance period, (iii) the number of shares underlying stock options granted to the NEOs under the GE 2007 Long-Term Incentive Plan, (iv) the exercise price of the stock option grants, which reflects the closing price of GE stock on the date of grant and (v) the grant date fair value of each option grant computed in accordance with applicable SEC rules. Our NEOs did not receive any other GE stock-based awards in 2013.

2013 Grants of GE Plan-Based Awards Table

Name of Executive	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All Other Option Awards: Number of Securities Underlying Options ⁽²⁾	Exercise or Base Price of Option Awards	Grant Date Fair Value of Option Awards ⁽³⁾
		Threshold	Target	Maximum			
Margaret M. Keane	3/14/13	\$ 912,500	\$ 1,368,750	\$ 2,737,500			
	9/13/13				250,000	\$ 23.78	\$ 1,130,000
Brian D. Doubles	3/14/13	\$ 200,000	\$ 400,000	\$ 800,000			
	9/13/13				75,000	\$ 23.78	\$ 339,000
Glenn P. Marino	3/14/13	\$ 278,750	\$ 557,500	\$ 1,115,000			
	9/13/13				75,000	\$ 23.78	\$ 339,000
Jonathan S. Mothner	3/14/13	\$ 200,000	\$ 400,000	\$ 800,000			
	9/13/13				35,000	\$ 23.78	\$ 158,200
Thomas M. Quindlen	3/14/13	\$ 337,500	\$ 675,000	\$ 1,350,000			
	9/13/13				110,000	\$ 23.78	\$ 497,200

(1) These columns show the potential value of the payout for each NEO under the 2013-2015 LTPA if the threshold, target or maximum goals are satisfied for all four performance measures, based on the executive's 2013 salary and bonus at the time of grant. The potential payouts are performance-driven and therefore completely at risk. The performance metrics, performance goals and salary and bonus multiples for determining the payout are described in Compensation Discussion and Analysis 2013 Compensation Elements. As reflected in the 2013 Summary Compensation Table, no amounts were paid with respect to these LTPA awards for 2013. Assuming the date on which GE ceases to own at least 50% of our outstanding common stock will occur prior to the LTPA 2016 payment date, our NEOs who remain employed by us through the 2016 payment date will remain eligible to receive a pro rata portion of their award from GE, based on their service from the LTPA's grant date to the date on which GE ceases to own at least 50% of our outstanding common stock and based on their annual salary then in effect on such date and the last annual bonus received prior to such date, on the same basis as GE employees who receive LTPAs.

(2)

This column shows the number of stock options granted, which will vest and become exercisable ratably in five equal annual installments beginning one year from the date of grant and each year thereafter. Following the IPO, the equity awards previously granted to our NEOs will continue to relate to GE equity, and service with us will be counted as service with GE for all purposes. When GE ceases to own at least 50% of our outstanding common stock, each outstanding, unvested GE stock option will vest and will be exercisable for GE common stock until the expiration of the award or, if earlier, five years from the vesting date.

- (3) This column shows the aggregate grant date fair value of stock options under applicable SEC rules granted to the NEOs in 2013. Generally, the aggregate grant date fair value is the expected accounting expense that will be recognized over the award's vesting schedule. For stock options, fair value is calculated using the Black-Scholes value of an option on the grant date. See the 2013 Summary Compensation Table for additional information.

Table of Contents**2013 Outstanding GE Equity Awards at Fiscal Year-End**

The following table provides information on the holdings of GE equity awards by the NEOs at fiscal year-end. This table includes unexercised (both vested and unvested) option grants and unvested RSUs with vesting conditions that were not satisfied at December 31, 2013. Each equity grant is shown separately for each NEO. The vesting schedule for each outstanding award is shown following this table.

2013 Outstanding GE Equity Awards at Fiscal Year-End Table

Name of Executive	Option Grant Date	Option Awards		Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Stock Awards		
		Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)				Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ⁽¹⁾	
Margaret M. Keane	9/17/04	16,800		\$ 34.22	9/17/14	7/28/05	3,750	\$ 105,113	
	9/16/05	18,600		\$ 34.47	9/16/15				
	9/8/06	17,500		\$ 34.01	9/8/16				
	9/7/07	22,500		\$ 38.75	9/7/17				
	9/9/08	30,000		\$ 28.12	9/9/18				
	3/12/09		24,000	\$ 9.57	3/12/19				
	7/23/09		28,000	\$ 11.95	7/23/19				
	6/10/10	120,000	80,000	\$ 15.68	6/10/20				
	6/9/11	110,000	165,000	\$ 18.58	6/9/21				
	9/7/12	60,000	240,000	\$ 21.59	9/7/22				
	9/13/13		250,000	\$ 23.78	9/13/23				
	Total		395,400	787,000				3,750	\$ 105,113
	Brian D. Doubles	5/10/04	480		\$ 30.03	5/10/14	9/3/10	8,000	\$ 224,240
4/21/06		2,400		\$ 33.97	4/21/16	11/4/11	15,000	420,450	
9/7/07		2,500		\$ 38.75	9/7/17				
9/9/08		3,750		\$ 28.12	9/9/18				
3/12/09			3,000	\$ 9.57	3/12/19				
7/23/09			4,000	\$ 11.95	7/23/19				
6/10/10			20,000	\$ 15.68	6/10/20				
6/9/11		24,000	36,000	\$ 18.58	6/9/21				
9/7/12		15,000	60,000	\$ 21.59	9/7/22				

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	9/13/13		75,000	\$ 23.78	9/13/23
Total		48,130	198,000		23,000 \$ 644,690

Glenn P. Marino	9/17/04	12,000		\$ 34.22	9/17/14
	9/16/05	15,000		\$ 34.47	9/16/15
	9/8/06	17,500		\$ 34.01	9/8/16
	9/7/07	22,500		\$ 38.75	9/7/17
	9/9/08	22,500		\$ 28.12	9/9/18
	3/12/09		18,000	\$ 9.57	3/12/19
	7/23/09		18,000	\$ 11.95	7/23/19
	6/10/10	75,000	50,000	\$ 15.68	6/10/20
	6/9/11	54,000	81,000	\$ 18.58	6/9/21
	9/7/12	25,000	100,000	\$ 21.59	9/7/22
	9/13/13		75,000	\$ 23.78	9/13/23
Total		243,500	342,000		

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Name of Executive	Option Grant Date	Option Awards		Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Stock Awards	
		Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)				Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ⁽¹⁾
Jonathan S. Mothner	5/10/04	1,620		\$ 30.03	5/10/14	6/8/06	1,250	\$ 35,038
	9/16/05	2,880		\$ 34.47	9/16/15			
	9/8/06	4,800		\$ 34.01	9/8/16			
	9/7/07	7,500		\$ 38.75	9/7/17			
	9/9/08	10,000		\$ 28.12	9/9/18			
	3/12/09		8,000	\$ 9.57	3/12/19			
	7/23/09		8,000	\$ 11.95	7/23/19			
	6/10/10	9,000	18,000	\$ 15.68	6/10/20			
	6/9/11	15,000	33,000	\$ 18.58	6/9/21			
	9/7/12	10,000	40,000	\$ 21.59	9/7/22			
	9/13/13		35,000	\$ 23.78	9/13/23			
	Total		60,800	142,000				1,250
Thomas M. Quindlen	9/17/04	13,800		\$ 34.22	9/17/14			
	9/16/05	18,000		\$ 34.47	9/16/15			
	9/8/06	17,500		\$ 34.01	9/8/16			
	9/7/07	25,000		\$ 38.75	9/7/17			
	9/9/08	32,500		\$ 28.12	9/9/18			
	3/12/09		26,000	\$ 9.57	3/12/19			
	7/23/09	13,000	26,000	\$ 11.95	7/23/19			
	6/10/10	105,000	70,000	\$ 15.68	6/10/20			
	6/9/11	70,000	105,000	\$ 18.58	6/9/21			
	9/7/12	35,000	140,000	\$ 21.59	9/7/22			
9/13/13		110,000	\$ 23.78	9/13/23				
Total		329,800	477,000					

(1) The market value of the stock awards represents the product of the closing price of GE stock at December 31, 2013, which was \$28.03, and the number of shares underlying each such award.

2013 Outstanding GE Equity Awards Vesting Schedule

Name of Executive	Option Awards		Stock Awards	
	Grant Date	Option Awards Vesting Schedule ⁽¹⁾	Grant Date	Stock Awards Vesting Schedule ⁽²⁾
Margaret M. Keane	3/12/09	100% vests 2014	7/28/05	100% vests 7/28/15
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		

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Name of Executive	Grant Date	Option Awards	Stock Awards	
		Option Awards Vesting Schedule ⁽¹⁾	Grant Date	Stock Awards Vesting Schedule ⁽²⁾
Brian D. Doubles	3/12/09	100% vests 2014	9/3/10	50% vests 9/3/14 and 9/3/15
	7/23/09	100% vests 2014	11/4/11	33% vests 11/4/14, 11/4/15 and 11/4/16
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		
Glenn P. Marino	3/12/09	100% vests 2014		
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014 and 2015 and 50% vests 2016		
	9/13/13	20% vests 2014 and 2015 and 60% vests 2016		
Jonathan S. Mothner	3/12/09	100% vests 2014	6/8/06	100% vests 6/8/16
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		
Thomas M. Quindlen	3/12/09	100% vests 2014		
	7/23/09	100% vests 2014		
	6/10/10	50% vests 2014 and 2015		
	6/9/11	33% vests 2014, 2015 and 2016		
	9/7/12	25% vests 2014, 2015, 2016 and 2017		
	9/13/13	20% vests 2014, 2015, 2016, 2017 and 2018		

(1) This column shows the vesting schedule of unexercisable or unearned options reported in the Number of Securities Underlying Unexercised Options (Unexercisable) column of the 2013 Outstanding GE Equity Awards at Fiscal Year-End Table. The stock options generally vest on the anniversary of the grant date in the years shown in the table above.

(2) This column shows the vesting schedule of unvested stock awards reported in the Number of Shares or Units of Stock That Have Not Vested column of the 2013 Outstanding GE Equity Awards at Fiscal Year-End Table. The stock awards generally vest on the anniversary of the grant date in the years shown in the table above.

Table of Contents**2013 GE Option Exercises and Stock Vested**

The following table provides information for the NEOs on (i) stock option awards exercised during 2013, including the number of shares acquired upon exercise and the value realized at such time and (ii) the number of shares acquired upon the vesting of RSUs and the value realized at such time, each before payment of any applicable withholding tax and brokerage commission.

2013 GE Option Exercises and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Margaret M. Keane	186,000	\$ 2,542,803	2,000	\$ 46,640
Brian D. Doubles	53,500	\$ 669,919	9,250	\$ 230,800
Glenn P. Marino	90,000	\$ 1,153,805	1,500	\$ 34,980
Jonathan S. Mothner	32,000	\$ 390,900	1,917	\$ 45,192
Thomas M. Quindlen	123,000	\$ 1,669,808	6,167	\$ 144,094

2013 GE Pension Benefits

The table below sets forth information on the pension benefits for the NEOs under each of the following pension plans:

GE Pension Plan

The GE Pension Plan is a funded and tax-qualified retirement program that covers eligible employees. As applicable to the NEOs, the plan provides benefits based primarily on a formula that takes into account the NEO's earnings for each fiscal year. Since 1989, the formula has provided an annual benefit accrual equal to 1.45% of the NEO's earnings for the year up to covered compensation and 1.9% of his or her earnings for the year in excess of covered compensation. Covered compensation was \$45,000 for 2013 and has varied over the years based in part on changes in the average of the Social Security taxable wage bases. The NEO's annual earnings taken into account under this formula include base salary and up to one-half of his or her bonus payments, but may not exceed an IRS-prescribed limit applicable to tax-qualified plans (\$255,000 for 2013). As a result, for service in 2013, the maximum incremental annual benefit a NEO could have earned toward his or her total pension payments under this formula was \$4,642.50 (\$386.88 per month), payable after retirement, as described below.

The accumulated benefit an employee earns over his or her career with GE is payable starting after retirement on a monthly basis for life with a guaranteed minimum term of five years. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the NEOs, retirement may occur at age 60 without any reduction in benefits. Employees vest in the GE Pension Plan after five years of qualifying service. In addition, the plan provides for Social Security supplements and spousal joint and survivor annuity options, and requires employee contributions.

Section 415 of the Code limits the benefits payable under the GE Pension Plan. For 2013, the maximum single life annuity a NEO could have received under these limits was \$205,000 per year. This ceiling is actuarially adjusted in accordance with IRS rules to reflect employee contributions, actual forms of distribution and actual retirement dates.

Our NEOs' benefits under the GE Pension Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We have no obligation to reimburse GE for the payment of benefits under the GE Pension Plan.

Table of Contents*GE Supplementary Pension Plan*

GE offers the GE Supplementary Pension Plan to approximately 3,600 eligible employees in the executive band and above, including the NEOs, to provide for retirement benefits above amounts available under GE's tax-qualified and other pension programs. The Supplementary Pension Plan is unfunded and not qualified for tax purposes. A NEO's annual supplementary pension, when combined with certain amounts payable under GE's tax-qualified and other pension programs and Social Security, will equal 1.75% of his earnings credited for retirement benefits multiplied by the number of his years of credited service, up to a maximum of 60% of such earnings credited for retirement benefits. The earnings credited for retirement benefits are the NEO's average annual compensation (base salary and bonus) for the highest 36 consecutive months out of the last 120 months prior to retirement. Employees are generally not eligible for benefits under the Supplementary Pension Plan if they leave GE prior to reaching age 60. The normal retirement age as defined in this plan is 65. For employees who commenced service prior to 2005, including the NEOs, retirement may occur at age 60 without any reduction in benefits. The Supplementary Pension Plan provides for spousal joint and survivor annuities. Benefits under this plan would be available to the NEOs only as monthly payments and could not be received in a lump sum.

Our NEOs' benefits under the GE Supplementary Pension Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We will reimburse GE for the payment of benefits under the GE Supplementary Pension Plan.

GE Excess Benefits Plan

GE offers the GE Excess Benefits Plan to employees whose benefits under the GE Pension Plan are limited by Section 415 of the Code. The GE Excess Benefits Plan is unfunded and not qualified for tax purposes. Benefits payable under this program are equal to the excess of (i) the amount that would be payable in accordance with the terms of the GE Pension Plan disregarding the limitations imposed pursuant to Section 415 of the Code over (ii) the pension actually payable under the GE Pension Plan taking such Section 415 limitations into account. Benefits under the GE Excess Benefits Plan for the NEOs are generally payable at the same time and in the same manner as the GE Pension Plan benefits.

Our NEOs' benefits under the GE Excess Benefits Plan will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. We will reimburse GE for the payment of benefits under the GE Excess Benefits Plan.

The amounts reported in the table below equal the present value of the accumulated benefit at December 31, 2013 for the NEOs under each plan based upon the assumptions described in note 1 to that table.

2013 GE Pension Benefits Table

Name of Executive	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit⁽¹⁾
Margaret M. Keane	GE Pension Plan	17.751	\$ 822,050
	GE Supplementary Pension Plan	17.751	\$ 5,010,746
	GE Excess Benefits Plan	17.751	\$ 577

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Brian D. Doubles	GE Pension Plan	13.855	\$	261,095
	GE Supplementary Pension Plan	13.855	\$	631,697
	GE Excess Benefits Plan	13.855		
Glenn P. Marino	GE Pension Plan	17.847	\$	927,803
	GE Supplementary Pension Plan	17.847	\$	3,261,294
	GE Excess Benefits Plan	17.847		

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Name of Executive	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit⁽¹⁾
Jonathan S. Mothner	GE Pension Plan	13.669	\$ 535,745
	GE Supplementary Pension Plan	13.669	\$ 1,058,768
	GE Excess Benefits Plan	13.669	
Thomas M. Quindlen	GE Pension Plan	28.950	\$ 853,032
	GE Supplementary Pension Plan	28.950	\$ 5,318,274
	GE Excess Benefits Plan	28.950	

(1) The accumulated benefit is based on service and earnings (base salary and bonus, as described above) considered by the plans for the period through December 31, 2013. Our NEOs' benefits under the plans will continue to accrue until the date on which GE ceases to own at least 50% of our outstanding common stock. The accumulated benefit includes the value of contributions made by the NEOs throughout their careers. The present value has been calculated assuming the NEOs will remain in service until age 60, the age at which their retirement may occur without any reduction in benefits, and assuming that the benefit is payable under the available forms of annuity consistent with the assumptions used by GE, as set forth below. Although illustration of a present value is required under SEC rules, the NEOs are not entitled to receive the present values of their accumulated benefits shown above in a lump sum. The postretirement mortality assumption used for present value calculations is the RP-2000 mortality table projected to 2024.

Discount rates of 4.85% and 3.96% at December 31, 2013 and 2012, respectively, are used by GE to measure the year-end benefit obligations and the pension costs for the GE Pension Plan, the GE Supplementary Pension Plan and the GE Excess Benefits Plan for the subsequent year.

2013 Nonqualified Deferred Compensation

The table below provides information on the nonqualified deferred compensation of the NEOs in 2013, including:

Bonus deferrals

GE's executive-band and above employees, including our NEOs, are able to defer all or a portion of their bonus payments in either: (i) GE stock (GE Stock Units), (ii) an index based on the S&P 500 (S&P 500 Index Units) or (iii) cash units. The participants may change their election among these options four times per year. If a participant elects to defer bonus payments in either GE Stock Units or the S&P 500 Index Units, GE credits a number of such units to the participant's deferred bonus plan account based on the respective average price of GE stock and the S&P 500 Index for the 20 trading days preceding the date GE's board of directors approves GE's total bonus allotment.

Deferred cash units earn interest income on the daily outstanding balance in the account based on the prior calendar month's average yield for U.S. Treasury Notes and Bonds issued with maturities of 10 years and 20 years. The interest income does not constitute an above-market interest rate as defined by the SEC and is credited to the participant's account monthly. Deferred GE Stock Units and S&P 500 Index Units earn dividend-equivalent income on such units held as of the start of trading on the NYSE ex-dividend date equal to: (i) for GE Stock Units, the quarterly dividend declared by the Board of Directors of GE or (ii) for S&P 500 Index Units, the quarterly dividend as declared by Standard & Poor's for the S&P 500 Index for the preceding calendar quarter. Participants are permitted to receive their deferred compensation balance upon termination of employment either through a lump-sum payment or in annual installments over 10 to 20 years.

Salary deferrals

Our executive-band and above employees are able to defer their salary payments under executive deferred salary plans. These plans have been offered periodically (the last such plan was offered in 2010 with respect to 2011 salary) and are available to approximately 3,600 eligible employees in the executive band and above, including our NEOs. The deferred salary plans in which our NEOs participate pay accrued interest, including an above-market interest rate as defined by the SEC, ranging from 8.5% to 12%, compounded annually. Early

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termination before the end of the five-year vesting period will result in a payout of the deferred amount with no interest income paid, with exceptions for events such as retirement, death and disability. With respect to distributions under all deferred salary plans, participants elected at the time of deferral to receive either a lump-sum payment or 10 to 20 annual installments.

GE makes all decisions with respect to the measures for calculating interest or other earnings on the nonqualified deferred compensation plans. Payouts for our NEOs and continuing employees will begin to occur in the year following the date on which GE ceases to own at least 50% of our outstanding common stock, and in accordance with participants' payout elections.

2013 Nonqualified Deferred Compensation Table

Name of Executive	Type of Deferred Compensation Plan	Executive Contributions in Last Fiscal Year⁽¹⁾	Aggregate Earnings in Last Fiscal Year⁽²⁾	Aggregate Balance at Last Fiscal Year-End
Margaret M. Keane	Deferred bonus plans		\$ 17,147	\$ 100,135
	Deferred salary plans		\$ 23,340	\$ 248,598
Brian D. Doubles	Deferred salary plans		\$ 1,905	\$ 24,313
Glenn P. Marino	Deferred bonus plans		\$ 46,635	\$ 1,809,342
	Deferred salary plans		\$ 63,465	\$ 677,927
Jonathan S. Mothner	Deferred bonus plans		\$ 7,970	\$ 31,822
Thomas M. Quindlen	Deferred bonus plans		\$ 55,963	\$ 243,631
	Deferred salary plans		\$ 88,779	\$ 1,001,403

- (1) The amounts reported are limited to deferred compensation contributed during 2013. They do not include any amounts reported as part of 2013 compensation in the 2013 Summary Compensation Table, which were credited to the NEO's deferred account plan, if any, in 2014, and are described in the notes to that table.
- (2) Reflects earnings on each type of deferred compensation listed in this section. The earnings on deferred bonus payments are calculated based on: (a) the total number of deferred units in the account multiplied by the GE common stock or S&P 500 Index price at December 31, 2013; less (b) the total number of deferred units in the account multiplied by the GE common stock or S&P 500 Index price at December 31, 2012; and less (c) any NEO contributions during the year. The earnings on the executive deferred salary plans are calculated based on the total amount of interest earned. See the 2013 Summary Compensation Table for the above-market portion of those interest earnings in 2013.

2013 Potential Payments Upon Termination At Fiscal Year-End

The information below describes and quantifies certain compensation that would have become payable under existing plans and arrangements if the NEO's employment had terminated on December 31, 2013, given the NEO's compensation and service levels as of such date and, if applicable, based on GE's closing stock price on December 31, 2013. These benefits are in addition to benefits available generally to salaried employees who joined GE prior to 2005, such as distributions under the GE Retirement Savings Plan, subsidized retiree medical benefits, disability benefits and accrued vacation pay. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any amounts actually paid or distributed may be different. Factors that

could affect these amounts include the time during the year of any such event, GE's stock price and the executive's age.

GE Equity Awards

With respect to their grants of GE equity awards, as of the date GE ceases to own at least 50% of our outstanding common stock, our NEOs' employment with GE will be deemed to be terminated due to transfer of a business to a successor employer, Synchrony Financial. As a result, as discussed below, the unvested GE stock options held by our NEOs will vest, and all unexercised GE stock options will remain exercisable for GE common stock for five years or until the expiration of the stock options, whichever is earlier. GE RSUs will remain outstanding and vest in accordance with their terms.

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If one of the NEOs were to die or become disabled, any unexercisable stock options become exercisable and remain exercisable until their expiration date. In the event of disability, this provision applies only to options that have been held for at least one year. Remaining restrictions on RSUs that were awarded prior to death or disability may lapse immediately in some cases, depending on the terms of the particular award. In addition, any unvested options or RSUs held for at least one year become fully vested upon either becoming retirement-eligible (reaching the applicable retirement age) or retiring at age 60 or thereafter, depending on the terms of the particular award, and provided the award holder has at least five years of service with GE. Each of the NEOs was below the applicable retirement age as of December 31, 2013. For these purposes, disability generally means disability resulting in the NEO being unable to perform his job.

The following table provides the intrinsic value (that is, the value based upon GE's stock price, and, in the case of stock options, minus the exercise price) of equity awards that would become exercisable or vested if the NEO had died or become disabled at December 31, 2013, or if GE ceased to own at least 50% of our outstanding common stock at December 31, 2013, thereby terminating our NEOs' employment with GE for purposes of their GE equity awards.

Potential Equity Benefits upon Termination Table

Name of Executive	Upon Death		Upon Disability		Upon Termination of Employment with GE	
	Stock Options	RSUs	Stock Options	RSUs	Stock Options	RSUs
Margaret M. Keane	\$ 6,048,630	\$ 105,113	\$ 4,986,130		\$ 6,048,630	
Brian D. Doubles	\$ 1,412,050	\$ 644,690	\$ 1,093,300		\$ 1,412,050	
Glenn P. Marino	\$ 2,967,420		\$ 2,648,670		\$ 2,967,420	
Jonathan S. Mothner	\$ 1,216,820	\$ 35,038	\$ 1,068,070		\$ 1,216,820	
Thomas M. Quindlen	\$ 4,123,890		\$ 3,656,390		\$ 4,123,890	

Transaction Awards

As discussed in Compensation Discussion and Analysis, in November 2013, we entered into transaction award agreements with certain of our employees, including each of the NEOs. These agreements are intended to provide an incentive to our management team to remain dedicated to, and to continue their employment with, our Company. Under these award transaction agreements, each of the NEOs is eligible to receive a transaction award equal to 100% of their base salary in effect as of the date they enter into the agreement plus their 2012 bonus, with 50% of the transaction award payable within 60 days following the IPO and the remaining 50% payable within 60 days following the date on which GE ceases to own at least 50% of our outstanding common stock. The transaction award will be forfeited in its entirety if a NEO voluntarily resigns or is terminated by us for cause (as determined by us). Each of the NEOs will also be subject to a non-compete/non-solicit provision for eighteen months from the date of termination of employment. Under the terms of the transaction award agreements, award recipients are eligible to receive (i) a prorated award in the event of his or her retirement prior to the payment of the award and (ii) a full award payout in the event of his or her death or termination by us without cause prior to the payment of the award. For purposes of the NEOs' transaction awards, a participant becomes retiree eligible upon attaining age 60. At December 31, 2013, none of our NEOs were retiree eligible. Assuming the NEOs' termination without cause or death on December 31, 2013, the NEOs would have been eligible to receive the following payments under the transaction award agreements: Ms. Keane \$1,825,000, Mr. Doubles \$855,000, Mr. Marino \$1,155,000, Mr. Mothner \$850,000 and Mr. Quindlen \$1,460,000.

Deferred Compensation

The NEOs are entitled to receive the amount in their deferred compensation accounts in the event of termination of employment. The account balances continue to be credited with increases or decreases reflecting

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changes in the value of the GE Stock Units or S&P 500 Index Units and to accrue interest income or dividend payments, as applicable, between the termination event and the date that distributions are made. Therefore, amounts received by the NEOs will differ from those shown in the 2013 Nonqualified Deferred Compensation Table. See the narrative accompanying that table for information on the available types of distribution under each deferral plan.

Pension Benefits

In 2013 GE Pension Benefits, we describe the general terms of each pension plan in which the NEOs participate, the years of credited service and the present value of each NEO's accumulated pension benefit, assuming payment begins at age 60. The table below provides the pension benefits that would have become payable if the NEOs had died, become disabled or voluntarily terminated at December 31, 2013.

In the event of death before retirement, the surviving spouse may receive a benefit based upon the accrued pension benefits under the GE Pension Plan and GE Excess Benefits Plan either: (i) in the form of an annuity as if the NEO had retired and elected the spousal 50% joint and survivor annuity option prior to death, or (ii) as an immediate lump-sum payment based on five years of pension distributions. The surviving spouse of a NEO who meets certain age and service criteria may also receive a lump-sum payment under the GE Supplementary Pension Plan based on the greater of the value of: (i) the 50% survivor annuity that the spouse would have received under that plan if the NEO had retired and elected the spousal 50% joint and survivor annuity option prior to death or (ii) five years of pension distributions under that plan. The amounts payable depend on several factors, including employee contributions and the ages of the NEO and the surviving spouse. If the named executive does not meet the age and service criteria for a lump sum death benefit from the GE Supplementary Pension Plan, the surviving spouse would receive an annuity payment when the employee would have turned 60. The survivors of each of the NEOs who are at least age 50 at December 31, 2013 would have been entitled to receive any annuity distributions promptly following death.

In the event a disability occurs before retirement, the NEOs who have at least 15 years of pension qualification service may receive an annuity payment of accrued pension benefits, payable immediately.

The table below shows, for the NEOs, the lump sum payable to the surviving spouse in the case of the NEO's death on December 31, 2013. It also reflects the annual annuity payment payable: (i) for the life of the surviving spouse in the case of the NEO's death on December 31, 2013, (ii) as a 50% joint and survivor annuity to the NEO in the case of disability on December 31, 2013 and (iii) as a 50% joint and survivor annuity to the NEO payable after age 60 upon voluntary termination on December 31, 2013. The annuity payments upon voluntary termination do not include any payments under the GE Supplementary Pension Plan because such payments are forfeited upon voluntary termination before age 60. Payments would be made on a monthly basis.

Potential Pension Benefits upon Termination Table

Name of Executive	Lump Sum upon Death ⁽¹⁾	Annual Annuity Payable at		
		Annual Annuity upon Death	Annual Annuity upon Disability ⁽²⁾	Age 60 after Voluntary Termination
Margaret M. Keane	\$ 3,920,986	\$ 37,213	\$ 519,868	\$ 71,403
Brian D. Doubles	\$	\$ 83,680	\$	\$ 47,370
Glenn P. Marino	\$ 2,468,463	\$ 36,742	\$ 315,342	\$ 70,248
Jonathan S. Mothner	\$	\$ 80,509	\$	\$ 57,041

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Thomas M. Quindlen	\$ 5,225,675	\$ 42,658	\$ 649,624	\$ 86,408
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- (1) At December 31, 2013, Messrs. Doubles and Mothner did not have 15 years of pension qualification service, which is the service requirement for a lump sum death benefit to a surviving spouse under the GE Supplementary Pension Plan. The GE Supplementary Pension benefit payable to the surviving spouse (when the executive would have turned 60) is included in the annual annuity upon death column.

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- (2) At December 31, 2013, Messrs. Doubles and Mothner did not have 15 years of pension qualification service, which is the service requirement for disability pension. Therefore they would not have been eligible to receive immediate payments if they had become disabled at December 31, 2013. They would be entitled to receive a GE Pension Plan benefit at age 60 in the same amount as shown in the voluntary termination column.

Life Insurance Benefits

For a description of the supplemental life insurance plans that provide coverage to the named executive officers, see the 2013 All Other Compensation Table. If the NEOs had died on December 31, 2013, the survivors of Ms. Keane and Messrs. Doubles, Marino, Mothner, and Quindlen would have received \$4,965,932, \$1,600,000, \$3,495,324, \$1,600,000 and \$4,015,924, respectively, under these arrangements.

Compensation Plans Following the IPO

The following section summarizes the compensation plans we have implemented for our executive officers, including our named executive officers, and other employees following the completion of the IPO.

Benefit Plans Transition from GE to Synchrony Plans

Prior to the IPO, our employees were covered under GE benefit plans. These GE benefit plans include the GE 2007 Long-Term Incentive Plan providing stock options, stock appreciation rights (SARs), restricted stock units (RSUs) and long-term performance awards, the GECC Executive Incentive Compensation Plan providing annual incentive compensation, retirement benefits, health, life and disability insurance benefits, and severance. We have reimbursed GE for benefits it has provided to our employees under these benefit plans.

After the completion of the IPO, and for so long as GE owns 50% or more of our outstanding common stock, we will be part of the GE group, and our employees generally will continue to be eligible to participate in GE benefit plans, except as noted below. When GE ceases to own at least 50% of our outstanding common stock, we anticipate that U.S. employees will be covered by the benefit plans that we expect to establish.

Prior to the IPO, some of the employees of our business received certain awards under the GE 2007 Long-Term Incentive Plan. As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest and all unexercised GE stock options will remain exercisable for GE common stock for five years or until the expiration of the stock options, whichever is earlier. In addition, GE's RSUs will remain outstanding and vest in accordance with their terms, and service with us will be taken into account for vesting purposes. After the completion of the IPO, our employees are no longer eligible to receive awards under the GE 2007 Long-Term Incentive Plan.

Prior to the completion of the IPO, we established and adopted plans for our selected employees providing for stock options, SARs, restricted stock, RSUs, performance awards and other stock-based awards. See Synchrony 2014 Long-Term Incentive Plan for information concerning this plan. However, we expect that certain of our employees will continue to participate in the GECC Executive Incentive Compensation Plan until the date that GE ceases to own at least 50% of our outstanding common stock. We expect that our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own at least 50% of our outstanding common stock.

From the completion of the IPO until GE ceases to own at least 50% of our outstanding common stock, we will reimburse GE for the costs incurred by GE and its affiliates for continuing coverage of our employees in the GE benefit plans, consistent with applicable regulatory requirements and the practices and procedures established and

uniformly applied to GE businesses. See Arrangements Among GE, GECC and Our Company Relationship with GE and GECC Employee Matters Agreement for information concerning our benefit plans, our reimbursement obligations to GE, and other employment matters after the completion of the IPO.

Table of Contents***Synchrony 2014 Long-Term Incentive Plan***

In connection with the completion of the IPO, we established the Synchrony Financial 2014 Long-Term Incentive Plan, which we refer to as the Incentive Plan. The Incentive Plan permits us to issue stock-based, stock-denominated and other awards to officers, employees, consultants and non-employee directors providing services to Synchrony and our participating affiliates. Available awards under the Incentive Plan will include stock options and SARs, restricted stock and RSUs, performance awards and other awards valued in whole or in part by reference to or otherwise based on our common stock (other stock-based awards), and dividend equivalents.

The following is a description of the Incentive Plan and the treatment of those awards to be made in connection with and after the IPO.

Effective date and term. The Incentive Plan became effective prior to the completion of the IPO and authorizes the granting of awards for a term of up to 10 years.

Administration. The Incentive Plan is administered by the Management Development and Compensation Committee of Synchrony's board of directors (the Committee). The Committee has the authority to make any determination or take any action that the Committee deems necessary or desirable for the administration of the Incentive Plan, including, for example: (i) the authority to establish rules and guidelines for the administration of the Incentive Plan, (ii) select the participants to whom awards are granted, (iii) determine the types of awards to be granted and the number of shares covered by such awards, (iv) set the terms and conditions of such awards and (v) cancel, suspend and amend awards. The Committee has the sole discretion to make determinations with respect to and interpret the Incentive Plan and award agreements. The Committee may delegate its authority under the Incentive Plan to the chairman of the Committee, a subcommittee of the Committee or to one or more officers or managers of the Company, provided, however, that the Committee may not delegate to officers or managers of the Company its authority to grant awards and to cancel or suspend awards for executive officers and directors of the Company who file reports under Section 16 of the Exchange Act.

Eligibility. Officers, employees, consultants and non-employee directors of the Company and its affiliates are eligible to participate in the Incentive Plan.

Number of shares available for issuance. Subject to adjustment as described below, 16,605,417 shares of our common stock (including authorized and unissued shares and treasury shares) are available for granting awards under the Incentive Plan. If any shares covered by an award under the Incentive Plan are forfeited or otherwise terminated without delivery of shares or other consideration, then the shares covered by such an award shall again be available for granting awards under the Incentive Plan. In an acquisition, any awards made and any of the shares delivered upon the assumption of or in substitution for outstanding grants made by the acquired company will not be counted against the shares available for granting awards under the Incentive Plan. Dividend equivalents denominated in shares and awards not denominated, but potentially payable, in shares shall be counted against the aggregate number of shares available for granting awards under the Incentive Plan in such amount and at such time as the dividend equivalents and such awards are settled in shares. Shares surrendered for the payment of the exercise price or withholding taxes under stock options or SARs, and stock repurchased in the open market with the proceeds of an option exercise, may not again be made available for issuance under the Incentive Plan. In addition, shares that were subject to an option or stock-settled SAR and were not issued upon the net settlement or net exercise of such option or SAR will also not be made available for issuance.

Adjustments. In the event of certain corporate transactions or events affecting the number or type of outstanding common shares of the Company, including, for example, a dividend or other distribution (whether in cash or stock),

recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or issuance of warrants, the Committee will make adjustments as it deems appropriate in order to prevent dilution or enlargement of Incentive Plan benefits. These adjustments include: (i) changing the number and type of shares to be issued under the Incentive Plan and outstanding awards,

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(ii) changing the per participant limitations on awards and the grant, purchase or exercise price of outstanding awards and (iii) changing the restriction on the total amount of restricted stock, RSUs, performance awards or other stock-based awards that may be granted. The Committee may also make adjustments in the terms of awards in connection with acquisitions of another business or business entity in which the Company assumes outstanding employee awards or the right or obligation to make future awards, and make adjustments in performance award criteria or in the terms and conditions of other awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or of changes in applicable laws, regulations, or accounting principles.

Awards. Awards generally will be granted for no cash consideration. We intend that, under the Incentive Plan, awards may provide that upon exercise the participant will receive cash, stock, other securities, other awards, other property, or any combination thereof, as the Committee will determine. The exercise price per share of common stock purchasable under any stock option, the grant price of any SAR, and the purchase price of any security which may be purchased under any other stock-based award will be not less than 100% of the fair market value of the stock or other security on the date of the grant of such option, SAR, or right. It is intended that, under the Incentive Plan, any exercise or purchase price may be paid in cash or, if permitted by the Committee, by surrender of shares.

Award limits. The awards which may be granted under the Incentive Plan are generally subject to the following limits (each, an Award Limit). The maximum number of our shares of common stock with respect to which stock options or SARs may be granted or measured to any participant during any fiscal year is 3,000,000 shares. The maximum number of our shares of common stock with respect to which restricted stock, RSUs, performance awards and other stock-based awards may be granted or measured to any participant during any fiscal year is 1,000,000 shares. These provisions are designed so that compensation resulting from awards can qualify as tax deductible performance-based compensation under Section 162(m) of the Code, assuming other applicable regulatory requirements are satisfied.

Stock options and SARs. The Committee may award stock options in the form of nonqualified stock options or incentive stock options, or SARs, each with a maximum term of ten years. The Committee will establish the vesting schedule for stock options and SARs and, with respect to stock options, the method of payment for the exercise price, which may include cash, shares or other awards.

Restricted stock and RSUs. The Committee may award restricted stock and RSUs and establish the applicable restrictions, including any limitation on voting rights or the receipt of dividends. The Committee will establish the manner and timing under which restrictions may lapse. If employment is terminated during the applicable restriction period, shares of restricted stock and RSUs still subject to restriction will be forfeited, except as determined otherwise by the Committee.

Performance awards and other stock-based awards. The Committee may grant performance awards, which may be denominated in cash, shares, other securities or other awards and payable to, or exercisable by, the participant upon the achievement of performance goals during performance periods, as established by the Committee. Performance criteria mean any measures, as determined by the Committee, which may be used to measure the level of performance of the Company or participant during a performance period. The Committee may grant other stock-based awards that are denominated or payable in shares, under the terms and conditions as the Committee will determine.

Dividends and dividend equivalents. The Committee may decide to include dividends or dividend equivalents as part of an award (other than stock options and SARs), and the payment of any such dividends may be deferred, with or without interest, until the award is paid.

Deferrals. The Committee also will be able to require or permit award payments to be deferred and may authorize crediting of dividends or interest or their equivalents in connection with any such deferral.

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Transferability. Awards are not transferable otherwise than by will or the laws of descent and distribution unless determined otherwise by the Committee. Awards may not be pledged or otherwise encumbered and are exercisable during the participant's lifetime only by the participant.

Conditions and restrictions on stock issuable under an award. The Committee may provide that shares of our common stock issuable under an award will be subject to such further restrictions or conditions as the Committee may determine, including, but not limited to, conditions on vesting or transferability, forfeiture or repurchase provisions, tax withholding conditions and restrictions regarding the timing and manner of resales or other subsequent transfers by the participant of shares issuable under an award.

Amendments and termination. Our board of directors may amend, suspend or terminate the Incentive Plan, provided, however, that our board of directors will seek stockholder approval of material amendments to the Incentive Plan as required by law, regulation or stock exchange and any amendment that would increase the total number of shares available for awards under the Incentive Plan (except pursuant to the corporate transaction adjustment provisions discussed above) or permit stock options, SARs or other rights to purchase our common stock to be repriced, replaced or regranted through cancellation or by lowering the exercise or purchase price. The Committee generally may waive conditions or amend the term of awards, or otherwise amend, suspend or terminate awards already granted, provided that such action does not, without the participant's consent, impair the rights of the award holder.

Founders Grants

To promote retention and alignment with our stockholders, in connection with the IPO we granted restricted stock units and stock options (or other awards as appropriate with respect to our employees outside the U.S.) under our Incentive Plan to a broad group of several hundred employees, including our executive officers. These awards have a four-year cliff vesting period. The stock options have a term of 10 years, and their exercise price is the initial public offering price of our common stock. Dividends earned on the RSUs will be reinvested in additional RSUs at each dividend-payable date. These additional RSUs will vest under the same terms and conditions as the original RSU award.

The value of each grant is split between restricted stock units (70%) and stock options (30%), and the fair market value of these grants at the pricing date of the IPO was approximately \$105 million. Of this amount, the fair market values of the grants to our NEOs as of the pricing date of the IPO were as follows: Ms. Keane \$7,000,000; Mr. Doubles \$4,000,000; Mr. Marino \$3,012,500; Mr. Mothner \$2,500,000; and Mr. Quindlen \$3,775,000. However, the actual value realized by them and the other recipients of these grants will depend on a number of factors, including future vesting and the future market value of our common stock.

Stock Ownership Guidelines

Our Chief Executive Officer and executive vice presidents are required to own significant amounts of our common stock. The number of shares of our common stock that must be held is set at a multiple of the officer's base salary. Our officers will have five years to satisfy our share ownership requirement.

Position	Multiple	Time to Attain
Chief Executive Officer	5X	5 years
Executive Vice President	3X	5 years

Individual and joint holdings of our common stock with immediate family members, including those shares held in our 401(k) plan and any deferred compensation accounts, and unvested time-based restricted stock or restricted stock units will count toward this requirement.

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Clawback Policy

In connection with the IPO, we adopted our Bank's clawback policy, pursuant to which, if it is determined that an employee at or above a designated executive grade under the Company's or GE's compensation structure has engaged in conduct detrimental to our Company, the Bank or any of the Company's other subsidiaries, our Management Development and Compensation Committee or, in the case of a Bank employee, the Bank's Development and Compensation Committee may take a range of actions to remedy the misconduct, prevent its recurrence, and impose such discipline as would be appropriate. Discipline may vary depending on the facts and circumstances, and may include, without limitation: (i) termination of employment, (ii) initiating an action for breach of fiduciary duty, (iii) reducing, cancelling or seeking reimbursement of any paid or awarded compensation and (iv) if the conduct resulted in a material inaccuracy in our financial statements or performance metrics that affects the executive's compensation, seeking reimbursement of any portion of incentive compensation paid or awarded to the executive that is greater than what would have been paid or awarded if calculated based on the accurate financial statements or performance metrics. If it is determined that an executive engaged in fraudulent misconduct, our Management Development and Compensation Committee or, in the case of a Bank employee, the Bank's Development and Compensation Committee will seek such reimbursement. These remedies would be in addition to, and not in lieu of, any actions imposed by law enforcement agencies, regulators or other authorities.

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ARRANGEMENTS AMONG GE, GECC AND OUR COMPANY

Relationship with GE and GECC

Historically, GE has provided a variety of services to us, and we have provided a variety of services to GE. These arrangements are described below under Other Related Party Transactions.

Prior to the completion of the IPO, we entered into a master agreement and a number of other agreements with GE and GECC for the purpose of accomplishing the Separation and setting forth various matters governing our relationship with GE after the completion of the IPO. The agreements also provide for the allocation of employee benefits, tax and other liabilities and obligations attributable or related to periods or events prior to and in connection with the IPO. The material terms of these agreements are summarized below, and the agreements have been filed as exhibits to the registration statement of which this prospectus forms a part. We entered into these agreements with GE and GECC while we were still a wholly-owned subsidiary of GE and certain terms of these agreements are not necessarily the same as could have been obtained from a third party.

Master Agreement

We entered into a master agreement with GECC and, for limited purposes only, GE, prior to the completion of the IPO. We refer to this agreement in this prospectus as the Master Agreement. The Master Agreement sets forth our agreements with GE and GECC relating to the ownership of certain assets and the allocation of certain liabilities in connection with the separation of our Company from GECC. It also sets forth other agreements governing our relationship with GECC and its affiliates after the IPO.

The separation of our business

The Master Agreement generally allocates certain assets and liabilities between us and GECC according to the business to which such assets and liabilities primarily relate, which is consistent with the basis of presentation of our historical financial statements. To the extent not previously transferred to us or one of our subsidiaries prior to the completion of the IPO, the Master Agreement provides that GECC or its affiliates, as applicable, will transfer and assign to us or our subsidiaries certain assets related to our business owned by them. We or our subsidiaries will perform, discharge and fulfill certain liabilities related to our businesses (which, in the case of tax matters, will be governed by the TSSA) in accordance with their terms.

Except as expressly set forth in the Master Agreement or in any other transaction document, neither we nor GECC make any representation or warranty as to:

any assets or liabilities allocated under the Master Agreement;

the value of or freedom from any security interests of, or any other matter concerning, any assets or liabilities of such party;

the legal sufficiency of any assignment, document or instrument to convey title to any asset;

any consents or approvals required in connection with any transfer of assets or assumptions of liabilities; or

the absence of any defenses or right of set-off or freedom from counterclaim with respect to any claim of either us or GECC.

Except as expressly set forth in any transaction document, in connection with the transactions through which we were formed, all assets were transferred to us on an as is, where is basis, and we and our subsidiaries have agreed to bear the economic and legal risks that any conveyance was insufficient to vest in us good title, free and clear of any security interest, and that any necessary consents or approvals were not or are not obtained or that any requirements of law or judgments were not or are not complied with. For a discussion of the transfer of the assets and operations of GE's North American retail finance business to us in connection with our formation, see Corporate Reorganization.

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GE has indicated it currently is targeting to continue its exit from our business in late 2015 through the Separation. See Risk Factors Risks Relating to Our Separation from GE GE may not complete the Separation as planned or at all. We refer to any potential distribution involved in the Separation as the Distribution. The Master Agreement provides that we will cooperate with GECC and its affiliates to accomplish the Distribution and that we, along with GE and GECC will use our respective reasonable best efforts to obtain all necessary governmental approvals and consents required to accomplish the Distribution.

Regulatory requirements and information rights

The Master Agreement provides that until the GE SLHC Deregistration, we are required to provide to GE all financial, risk-related and other information that GE requires to prepare and provide any report or other submission to the Federal Reserve Board or any other federal or state bank regulatory agency or authority or to comply with any other supervisory or regulatory requirement to which GE is subject under any federal or state banking laws. In addition, we are required to provide GECC with copies of all reports of examinations and any other supervisory communications from federal or state bank regulatory agencies or authorities identifying any matter requiring our attention or correction or regarding any existing or potential investigation or enforcement action by those agencies or authorities relating to us, and the prior written approval of GECC is required in connection with any material agreements to be entered into by us with any governmental authority. Until the GE SLHC Deregistration, we will also provide GECC with copies of (i) all risk-related materials provided to our board of directors or to the board of directors of the Bank for approval by either such board and (ii) all reports provided to our board of directors or the board of directors of the Bank regarding material risks, concentrations, or emerging risks to us or the Bank, in each case, at the same time such materials are provided to such board. In addition, until the GE SLHC Deregistration, we will allow GECC, or any of its subsidiaries, on reasonable notice and in a reasonable manner, to conduct an audit of our activities, operations and compliance with applicable law. We further agreed to enforce the limitation on voting rights in our certificate of incorporation described under Description of Capital Stock Common Stock Voting Rights and not to take any action that is not permissible for a savings and loan holding company under HOLA. Any information obtained from us by GE must be used solely for the purpose of complying with the reporting requirement or other supervisory or regulatory requirement for which GE obtained such information, and for no other purpose.

Financial information

We have agreed that, for so long as GE owns shares of our common stock, we will cooperate with GE and GECC and we will provide such entities with quarterly and annual historical financial information needed by GE to issue its own earnings releases and public filings. We also have agreed that for so long as GE beneficially owns at least 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), we will provide GE with certain financial projections, as well as access to quarterly and annual financial information. We have further agreed that, for so long as GE beneficially owns more than 20% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis or under the equity method of accounting), we will provide GE with information requested by GE in connection with its press releases and public filings and advance notice of all meetings to be held by us with financial analysts. In addition, we have agreed that so long as GE beneficially owns more than 5% of our outstanding common stock, we will provide GE with our and our subsidiaries unaudited consolidated balance sheets as of the end of each fiscal year and fiscal quarter and our and our subsidiaries unaudited consolidated statements of earnings for each fiscal year and fiscal quarter. We have also agreed during this time, among other things, to issue our quarterly and annual earnings releases and file our quarterly and annual reports with the SEC after GE issues its quarterly and annual earnings releases and files its quarterly and annual reports with the SEC, respectively. For so long as GE beneficially owns more than 50% of our outstanding common stock (or is

required to account for its investment in us on a consolidated basis), in addition to the items described above, we will provide GE with access to our books and records so that it may conduct audits of our financial statements, notice of any proposed material changes in our accounting estimates or discretionary accounting principles, and a quarterly representation of our chief executive

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officer and our chief financial or accounting officer as to the accuracy and completeness of our financial and accounting records. If GE beneficially owns any of our outstanding common stock, we will also provide to GE copies of reports submitted by our accountants.

We also have agreed, for so long as GE beneficially owns more than 50% of our outstanding common stock (or is required to account for its investment in us on a consolidated basis), to conduct our strategic and operational review process on the same schedule on which GECC conducts its strategic and operational review process.

Exchange of other information

The Master Agreement also provides for other arrangements with respect to the mutual sharing of information between us and GECC and its affiliates in order to comply with reporting, filing, audit or tax requirements, for use in judicial proceedings, and in order to comply with our respective obligations after the completion of the IPO. We and GECC and its affiliates have also agreed to provide mutual access to historical business records.

Releases and indemnification

Except for each party's obligations under the Master Agreement, the other transaction documents and certain other specified liabilities, we, GE and GECC, on behalf of ourselves and each of our respective affiliates, have released and discharged the other and its respective affiliates from all liabilities existing or arising between us on or before the completion of the IPO, including in connection with the separation of our business from GECC and the IPO. The release does not extend to obligations or liabilities under any agreements between us and GECC or its affiliates that remain in effect following the IPO, including ordinary course liabilities for products and services.

We have agreed to indemnify, hold harmless and defend GECC, each of its affiliates and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations of our businesses, whether arising before or after the completion of the IPO;

the operations, liabilities and obligations of our businesses;

any guarantee, indemnification obligation, surety bond or other credit support arrangement by GECC or any of its affiliates for our benefit;

any breach by us or any of our affiliates of the Master Agreement, certain of the other transaction documents or our certificate of incorporation or by-laws;

any untrue statement of, or omission to state, a material fact in GE's or GECC's public filings to the extent it was as a result of information that we furnished to GECC or its affiliates or which GECC or its affiliates

incorporated by reference from our public filings, if that statement or omission was made or occurred after the completion of the IPO; and

any untrue statement of, or omission to state, a material fact in any registration statement or prospectus related to the IPO, the Distribution or this offering, except to the extent the statement was made or omitted in reliance upon information provided to us by GECC expressly for use in any such registration statement or prospectus.

GECC has agreed to indemnify, hold harmless and defend us and each of our directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure of GECC or any affiliate of GECC or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of GECC or its affiliates other than liabilities of our businesses, whether arising before or after the completion of the IPO;

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the liabilities of GECC and its affiliates' businesses other than liabilities of our businesses;

any breach by GECC or any of its affiliates of the Master Agreement or certain of the other transaction documents;

any untrue statement of, or omission to state, a material fact in our public filings to the extent it was as a result of information that GE or any of its affiliates furnished to us or which we incorporated by reference from GE's or GECC's public filings (other than any registration statement or prospectus related to the IPO, the Distribution or this offering); and

any untrue statement of, or omission to state, a material fact contained in any registration statement or prospectus related to the IPO, the Distribution or this offering, but only to the extent the untrue statement or omission was made or omitted in reliance upon information provided by GE or any of its affiliates expressly for use in any such registration statement or prospectus.

The Master Agreement also specifies procedures with respect to claims subject to indemnification and related matters and provides for contribution in the event that indemnification is not available to an indemnified party.

Policies

Until the GE SLHC Deregistration, and except to the extent a GE policy conflicts with our certificate of incorporation or bylaws or any of the agreements between us and GECC or any of its affiliates, we will: (i) comply (x) with policies adopted or authorized by our board of directors or the board of directors of the Bank, which policies must not be inconsistent with GE policies, or (y) if we or the Bank do not have a policy corresponding with the GE policy, then with the corresponding GE policies (subject to any exceptions or exemptions previously or subsequently granted by GECC) and (ii) cause our and our subsidiaries' policies and procedures to comply with all applicable laws and not contravene GE's The Spirit and the Letter. In addition, until the GE SLHC Deregistration, we and our subsidiaries must (A) operate in accordance with our risk appetite statement and (B) advise GECC of any proposed changes to our risk appetite statement, afford GECC a reasonable opportunity to provide comments and advice before adopting any proposed change to such statement, and obtain the prior written approval of GECC before adopting any change to such statement that could result in our risk profile being materially different. Until the GE SLHC Deregistration (A) if GE or GECC proposes to adopt a new policy or materially changes a policy that would impose a new requirement on the Company or is inconsistent with an existing policy of the Company or the Bank, then GECC will advise us of the policy, GECC and the Company will discuss in good faith whether such policy requirements should be applicable to the Company and GECC and the Company will either agree on applicability, or refer the matter to our board of directors for a decision and (B) prior to seeking approval of our board of directors of a new policy, where GECC has a corresponding policy, we will request GECC's input on such policy.

Expenses of the Separation and the IPO

We have agreed to pay all underwriting fees, discounts and commissions and other costs and expenses directly associated with the IPO. Except as otherwise provided in the Master Agreement, the ancillary agreements or any other agreement between us and GECC relating to the Separation or the IPO, GECC has agreed to pay or reimburse us for out-of-pocket fees, costs and expenses incurred in connection with the preparation of the Master Agreement and certain ancillary agreements and the Distribution. Except as otherwise provided in the Master Agreement, the ancillary agreements or any other agreement between us and GECC relating to the Separation or the IPO, we will be

responsible for out-of-pocket fees, costs and expenses (including certain legal and financial advisor, information technology, human resource-related and marketing expenses) in connection with the Separation and this offering, and in connection with the other debt, credit and securitization facilities described in this prospectus that we have entered into or intend to incur or enter into in the near future.

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Noncompetition agreement

GE has agreed that, subject to certain exceptions, for two years after the GE SLHC Deregistration, it will not engage in the business of providing credit to consumers through: (i) private label credit cards or dual cards in conjunction with programs with retailers, merchants or healthcare providers primarily for the purchase of goods and services from the applicable retailer, merchant or healthcare provider, or (ii) general purpose credit cards, in each case, in the United States and Canada.

Credit support obligations

In the ordinary course of our business, we enter into agreements (including leases) which require guarantees, other credit support or other support obligations (we refer to such obligations, collectively as the Credit Support Obligations). Prior to the IPO, GE and certain of its subsidiaries agreed to be primary obligors on most of our currently outstanding Credit Support Obligations. We and GE will cooperate to eliminate or replace certain Credit Support Obligations and we will use reasonable best efforts to attempt to release or replace the liability of GE or its subsidiaries, as applicable and necessary, under any Credit Support Obligations that were not novated prior to completion of the IPO and, subject to applicable regulatory approval or non-objection, within six months of the date of the Master Agreement, release GECC of its obligations under certain guarantees with Mizuho Corporate Bank, Ltd. and Sumitomo Mitsui Banking Corporation. To the extent that GE or its subsidiaries were not relieved of these obligations as of the completion of the IPO, we have agreed to be liable to GE or such subsidiary for: (i) all costs of GE or its subsidiaries of maintaining such obligations, (ii) fees as may be agreed between the parties, to GE or its subsidiaries for maintaining such obligations and (iii) indemnification and reimbursement obligations with respect to the obligations underlying any such Credit Support Obligations.

To the extent that the Credit Support Obligations were not novated prior to completion of the IPO, GE and each applicable subsidiary of GE will maintain in full force and effect each Credit Support Obligation which is issued and outstanding as of the date of the IPO until the earlier of: (i) such time as the contract, or all of the obligations of us or our applicable affiliate thereunder, to which such Credit Support Obligation relates, terminates and (ii) such time as such credit support obligation expires in accordance with its terms or is otherwise released.

Dispute resolution procedures

We have agreed with GECC that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the Master Agreement. Instead, any dispute that is not resolved in the normal course of business will be submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 30 days, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days of the selection of a mediator, either party may submit the dispute to binding arbitration before a panel of three arbitrators. The arbitrators will resolve the dispute in accordance with New York law. Most of the other agreements between us and GECC have similar dispute resolution provisions.

These dispute resolution procedures will not apply to any dispute or claim related to GECC's or its affiliates' rights as a holder of our common stock and both parties will submit to the exclusive jurisdiction of the Delaware courts for resolution of any such dispute. In addition, both parties will be permitted to seek injunctive or interim relief in the event of any actual or threatened breach of the provisions of the Master Agreement relating to confidentiality, use of restricted marks, noncompetition agreements and corporate governance matters (including GECC's approval rights, director nomination rights and composition of certain of our board committees), and any of the provisions of the Employee Matters Agreement, the Registration Rights Agreement, the Intellectual Property Cross License Agreement or the Transitional Trademark License Agreement. If an arbitral tribunal has not been appointed, both parties may

seek injunctive or interim relief from any court with jurisdiction over the matter.

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Approval Rights

Until the GE SLHC Deregistration, we may not (and we may not permit or authorize any of our subsidiaries to), without the prior written approval of GECC:

consolidate or merge with or into any person or, subject to certain exceptions, permit any subsidiary to merge with or into any person;

acquire control of a bank or savings association or make any other acquisition of assets or equity for a price (including assumed debt) in excess of \$500 million (other than acquisitions of receivables portfolios in the ordinary course of business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the general threshold will be increased to \$1 billion and the threshold for acquisitions of receivables portfolios in the ordinary course of business will be increased to \$2 billion;

dispose of assets or securities in a single transaction or a series of related transactions for a price (including assumed debt) in excess of \$500 million (other than dispositions among us and our affiliates, issuances of asset backed securitization debt to maintain the aggregate level of borrowing capacity we have at the time of the IPO, and dispositions of receivables in the ordinary course of business that do not exceed \$1 billion); provided, that once GE's beneficial ownership of our common stock decreases below 20%, the general threshold will be increased to \$1 billion and the threshold for dispositions of receivables portfolios in the ordinary course of business will be increased to \$2 billion;

incur or guarantee debt that would reasonably be expected to result in a downgrade of our publicly-issued debt below specified ratings at the time of the IPO;

dissolve, liquidate, or wind up our Company;

alter, amend, terminate or repeal, or adopt any provision inconsistent with, the provisions of our certificate of incorporation or our bylaws;

adopt or implement any stockholder rights plan or similar takeover defense measure;

declare or pay any dividend or other distribution in respect of our common stock;

repurchase our common stock, subject to certain exceptions;

enter into a new principal line of business or enter into business outside of the United States and Canada; or

establish an executive committee of our board of directors.

Until such time as GE's beneficial ownership of our common stock decreases below 20% of our outstanding common stock, we may not, without the prior written approval of GECC:

issue capital stock or other securities convertible into capital stock; or

change the size of our board of directors from nine directors.

GECC's approval right for entry into new principal lines of business or business outside of the United States or Canada that is reasonably expected to have less than \$200 million in average receivables or annual purchase volume will expire when GE's beneficial ownership of our outstanding common stock decreases below 10%.

Board Rights

Until the GE SLHC Deregistration, GECC will be entitled to designate persons for nomination for election to our board of directors. The number of such GECC designees will depend on the level of beneficial ownership by GE of our outstanding common stock. At each election of members of our board of directors when GE beneficially owns:

more than 50% of our outstanding common stock, GECC will have the right to designate five persons for nomination for election to our board of directors;

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at least 33% but not more than 50% of our outstanding common stock, GECC will have the right to designate four persons for nomination for election to our board of directors;

at least 20% but less than 33% of our outstanding common stock, GECC will have the right to designate three persons for nomination for election to our board of directors;

at least 10% but less than 20% of our outstanding common stock, GECC will have the right to designate two persons for nomination for election to our board of directors; and

less than 10% of our outstanding common stock and prior to the GE SLHC Deregistration, GECC will have the right to designate one person for nomination for election to our board of directors. See

Management Composition of the Board of Directors.

In the event that (with GECC's approval) the size of our board of directors is changed, GECC will have the right to designate a proportional number of persons for nomination for election to the board of directors (rounded up to the nearest whole number).

So long as GE beneficially owns at least 50% of our outstanding common stock, or, in certain cases, until the GE SLHC Deregistration, GECC will have the right to designate, from among the GECC director designees serving on our board of directors, certain members of certain committees of our board of directors (see Management Committees of the Board of Directors).

Until GE's beneficial ownership of our common stock decreases below 50%, GECC will also be entitled to designate two directors to the board of directors of the Bank and we will cause such designees to be appointed.

Other Provisions

The Master Agreement also contains covenants between us and GECC with respect to:

confidentiality of our and GE and its subsidiaries' information;

our right to continue coverage under GE's insurance policies for so long as GE beneficially owns more than 50% of our outstanding common stock, as such policies may be amended from time to time;

restrictions on the parties' ability to take any action or enter into any agreement that would cause the other party or any of its subsidiaries to violate any law, organizational document or judgment;

restrictions on our ability to take any action that limits GECC's or any of its affiliates' ability to freely sell, transfer, pledge or otherwise dispose of our common stock;

restrictions on the parties' ability to take action that reasonably could result in a breach or default under any agreement which binds or purports to bind the other party or any of its other subsidiaries;

litigation and settlement cooperation between us and GE and its subsidiaries; and

proposed intercompany transactions, including material amendments to the agreements accomplishing the Separation, all of which must be approved by a majority of our independent directors or a committee comprised solely of independent directors or a committee comprised solely of our independent directors.

Transitional Services Agreement

We have entered into a transitional services agreement with GECC and Retail Finance International Holdings, Inc. (RIH), our wholly-owned subsidiary, to provide each other, on a transitional basis, certain administrative and support services and other assistance consistent with the services we and GECC provided to each other before the IPO. We refer to this agreement in this prospectus as the Transitional Services Agreement.

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Pursuant to the Transitional Services Agreement: (i) we and RIH may provide GECC various services related to those GECC businesses that were not transferred to us that had received services from us prior to the completion of the IPO and (ii) GECC will provide services to us and RIH, including:

treasury, payroll, tax and other financial services;

human resources and employee benefits services;

information systems, network access, application and support related services; and

procurement and sourcing support.

We also will provide each other, on a transitional basis, additional services that we, RIH and GECC may identify during the term of the agreement. We, RIH and GECC (as applicable) will pay to each other fees for the services rendered under the Transitional Services Agreement, which fees differ depending upon the services. Pricing for services under the Transitional Services Agreement is consistent with the applicable corporate allocation for each such service prior to the IPO, which allocation is typically calculated based on cost.

Under the Transitional Services Agreement, we, RIH and GECC each have the right to purchase goods or services, use intellectual property licensed from third parties and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by such vendor agreements. The Transitional Services Agreement also provides for the continuation of existing leases or subleases of certain facilities used in the operation of our respective businesses and for access to each other's facilities and computing and telecommunications systems to the extent necessary to perform or receive the transitional services. We and RIH are jointly and severally liable to GECC for any and all of our obligations under the Transitional Services Agreement.

The services provided under the Transitional Services Agreement will terminate at various times specified in the agreement (for most services within 24 months after the completion of the IPO), but the receiving party may terminate any service by giving at least 60 days' prior written notice to the provider of the service. In addition, subject to consent rights or requirements under third party agreements, the Transitional Services Agreement provides either party, at its sole expense, the right to extend services for up to 6 months, or longer, under specified circumstances provided that, the term for such services may not exceed the later of (i) 36 months from the date of the IPO and (ii) 24 months from the date GE ceases to beneficially own at least 50% of our outstanding common stock. Except for breaches of certain IP licenses, breaches of confidentiality and data protection provisions of the Transitional Services Agreement, breaches of applicable law in the provision or receipt of services, a party's negligence or gross negligence (depending on the service provider), willful breach or willful misconduct or as otherwise provided by applicable law, the maximum liability of each party in connection with any single service received from any other party is limited to the aggregate of the charges paid by the receiving party for such service and the aggregate liability of each party arising out of or in connection with the Transitional Services Agreement is limited to the aggregate of fees paid to such party for all the transitional services it has delivered.

Registration Rights Agreement

We have entered into a registration rights agreement with GECC to provide GECC with registration rights relating to shares of our common stock held by GECC or permitted transferees after the IPO. We refer to this agreement in this prospectus as the Registration Rights Agreement. GECC may assign its rights under the Registration Rights Agreement to any person that acquires shares of our common stock subject to the agreement and agrees to be bound by the terms of the agreement. GECC and its permitted transferees may require us to register under the Securities Act of 1933 (the Securities Act) all or any portion of these shares, a so-called demand request. The demand registration rights will be subject to certain limitations. We will not be obligated to effect:

a demand registration within 60 days after the effective date of a previous demand registration, other than a shelf registration pursuant to Rule 415 under the Securities Act;

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a demand registration within 180 days after the effective date of the registration statement of which this prospectus is a part;

a demand registration unless the demand request is for a number of shares with a market value of at least \$150 million; and

more than two demand registrations during the first 12 months after completion of the IPO or more than three demand registrations during any 12-month period thereafter.

After the first anniversary of the IPO, we may defer the filing of a registration statement for up to 90 days after a demand request has been made, but not more than once in any six month period, if: (i) at the time of such request we are engaged in confidential business activities, which would be required to be disclosed in the registration statement, and our board of directors determines that such disclosure would be materially detrimental to us and our stockholders or (ii) prior to receiving such request, our board of directors had determined to effect a registered public offering of our securities for our account and we have taken substantial steps to effect such offering. With respect to two demand requests only, if GECC or any of its affiliates makes a demand request during the one-year period after the completion of the IPO, we will not have the right to defer such demand registration during such period.

GECC and its permitted transferees also have so-called piggyback registration rights, which means that GECC and its permitted transferees may include their respective shares in any future registrations of our equity securities, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of our stockholders. The demand registration rights and piggyback registrations are each subject to market cut-back exceptions.

GECC or its permitted transferees will pay all costs and expenses in connection with any demand registration. We will pay all costs and expenses in connection with any piggyback registration, except underwriting discounts, commissions or fees attributable to the shares of common stock sold by our stockholders. In addition, we are required to bear the fees and expenses of one firm of counsel for the selling stockholders in any piggyback registration. The Registration Rights Agreement sets forth customary registration procedures, including an agreement by us to make our management available for road show presentations in connection with any underwritten offerings. We have also agreed to indemnify GECC and its permitted transferees with respect to liabilities resulting from untrue statements or omissions in any registration statement used in any such registration, other than untrue statements or omissions resulting from information furnished to us for use in the registration statement by GECC or any permitted transferee.

The rights of GECC and its permitted transferees under the Registration Rights Agreement will remain in effect with respect to the shares covered by the agreement until those shares:

have been sold pursuant to an effective registration statement under the Securities Act;

have been sold to the public pursuant to Rule 144 under the Securities Act;

have been transferred in a transaction where subsequent public distribution of the shares would not require registration under the Securities Act; or

are no longer outstanding.

In addition, the registration rights under the agreement will cease to apply to: (i) a holder other than GECC or its affiliates when such holder holds less than 5% of the then outstanding shares covered by the agreement and such shares are eligible for sale without restriction pursuant to Rule 144 under the Securities Act and (ii) GECC and its affiliates when such holder holds less than 3% of the then outstanding shares covered by the agreement and such shares are eligible for sale without restriction pursuant to Rule 144 under the Securities Act.

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Tax Sharing and Separation Agreement

We entered into the TSSA with GE prior to the completion of the IPO. Among other things, the TSSA governs the allocation between GE and us of the responsibility for the taxes of the GE group. The TSSA also allocates rights, obligations and responsibilities in connection with certain administrative matters relating to the preparation of tax returns and control of tax audits and other proceedings relating to taxes.

Allocation of taxes

Under the TSSA, we will generally be responsible for all taxes attributable to us or our operations for taxable periods following December 31, 2013. To the extent we file tax returns on a consolidated basis with GE, we will be required to make tax sharing payments to GE in amounts equal to our separate company tax liability. Our separate company tax liability will generally be equal to the amount of taxes we would have paid had we been filing tax returns separately from GE, subject to certain adjustments, whether or not GE is actually required to pay such amounts to the taxing authorities. However, GE will be responsible for all income taxes imposed in the United States, Canada and Puerto Rico attributable to taxable periods prior to January 1, 2014. We will be responsible for all other taxes attributable to our businesses.

In addition, GE will be required to compensate us for the use by GE of any of our tax attributes that arise after December 31, 2013 to reduce taxes that are otherwise the responsibility of GE under the TSSA. Similarly, we will be required to compensate GE for reductions in our tax liabilities to the extent that the reductions result from expenses economically borne by GE or from tax attributes created in certain transactions in which GE incurred a related tax liability, including for any reduction in our taxes resulting from tax elections described below that might be entered into in connection with GE's disposition of its interest in us.

We will also be obligated to compensate GE for reductions in our taxes that are attributable to increases in our tax attributes resulting from a tax audit or filing of an amended tax return for periods prior to January 1, 2014 if GE is responsible under the TSSA for any resulting increase in its taxes. Conversely, if resulting from a tax audit or filing an amended tax returns, GE will be required to compensate us for decreases in our tax attributes if GE receives a corresponding decrease in its taxes.

The TSSA generally allocates the right to refunds of taxes to the party that would be liable under the TSSA for the underlying taxes that are refunded.

The TSSA allocates between the parties the right to control, and to participate in, the preparation and filing of tax returns and defense of tax audits or other proceedings relating to taxes, and requires the parties to cooperate with each other in connection with preparing and filing tax returns and defending tax audits and other tax proceedings.

With the exception of the Bank Agreement (as defined below), upon entering into the TSSA, all other formal or informal tax sharing arrangements between GE and us were terminated and the TSSA will generally govern all of our relationship with GE relating to tax returns and tax liabilities.

Separation from GE

The TSSA generally allocates to GE any income taxes incurred in connection with the failure to qualify for tax-free treatment of the Distribution and certain related preliminary internal transactions. However, under the TSSA such income taxes will be allocated to us if the failure to qualify for tax-free treatment results from any action or inaction after the completion of the IPO that is within our control (other than actions or inactions that implement the

Distribution or certain related transactions or actions or inactions that are consented to by GE or are at the direction of GE) or if the failure results from any direct or indirect transfer of our stock after the Distribution. The TSSA includes a provision generally prohibiting us after the completion of the IPO from taking any action or failing to take action within our control that would cause the failure of such tax-free treatment.

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The TSSA also provides GE with the right to make certain tax elections to treat solely for tax purposes its disposition of our stock as a transfer of our assets in a manner that would result in us having a new cost tax basis in our assets. Any taxes resulting from such election will be allocated to GE subject, as discussed above, to our obligation to compensate GE for reductions in our tax liability arising from the resulting new cost tax basis in our assets.

GE intends to make these tax elections, on a protective basis, to treat the Distribution as a taxable transfer of our assets. Those elections would be effective only if the IRS were to successfully assert that, notwithstanding the IRS private letter ruling and opinion of tax counsel, the Distribution is taxable. However, if, as is expected consistent with the IRS private letter ruling and the opinion of tax counsel, the Distribution is in fact tax-free, then these elections will have no effect.

Employee Matters Agreement

We entered into an agreement with GE and GECC prior to the completion of the IPO relating to certain employee, compensation and benefits matters. We refer to this agreement in this prospectus as the Employee Matters Agreement. Under the Employee Matters Agreement, we generally assume or retain liabilities relating to the employment or services of any person with respect to our business before or after the completion of the IPO. We are only responsible for liabilities under GE benefit plans to the extent described in the Employee Matters Agreement.

Employment

After the completion of the IPO, we continue to employ the employees of our business.

Continuation on GE payroll and in GE plans

Prior to the IPO, employees of our business have been paid through GE's payroll system. In addition, these employees have been covered under GE benefit plans. These employees generally will continue to be paid through GE's payroll system and be eligible to participate in GE benefit plans for so long as GE owns at least 50% of our outstanding common stock. These GE benefit plans include: (i) retirement benefits, (ii) health, life and disability insurance benefits and severance, (iii) stock options, RSUs and long-term performance awards under the GE 2007 Long-Term Incentive Plan (but only for awards granted prior to the IPO) and (iv) annual incentive compensation under the GECC Executive Incentive Compensation Plan. Certain of our non-U.S. employees will continue on GE's payroll and in GE plans for up to one year following the date that GE ceases to own at least 50% of our outstanding common stock.

Compensation

From the completion of the IPO until at least one year after the date that GE ceases to own at least 50% of our outstanding common stock, our employees will receive at least the same salary, wages, incentive compensation, and bonus opportunities and at least the same (on an aggregate basis) other material terms and conditions of employment as were provided to such employees prior to the completion of the IPO.

Transition to our benefit plans.

Effective no later than the date on which GE ceases to own at least 50% of our outstanding common stock, our applicable U.S. employees will cease to participate in GE benefit plans and will participate in employee benefit plans established and maintained by us. For at least one year following the date that GE ceases to own at least 50% of our outstanding common stock, we will maintain plans that will provide our U.S. employees with benefits that are comparable in the aggregate to the value of those benefits provided by GE benefit plans immediately prior to the date

that GE ceases to own at least 50% of our outstanding common stock, excluding nonqualified defined benefit pension plans, retiree medical benefits, stock options, other equity awards and certain executive fringe benefits.

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We will also establish new benefit plans for our non-U.S. employees that, together with any benefit plans we assume or continue, will provide such non-U.S. employees with benefits that are comparable in the aggregate to the value of those benefits provided by the benefit plans in effect immediately prior to the date on which GE ceases to own at least 50% of our outstanding common stock, or, in the case of employees in India and the Philippines, a date that is up to one year after such date. We will maintain these existing or new plans for our non-U.S. employees for a period of at least one year following the benefit transition date (or such longer period required by applicable law).

We will recognize prior GE service for purposes of eligibility, vesting or calculation of vacation, sick days, severance, layoff and similar benefits under our new plan and programs to the same extent such service is recognized under corresponding GE plans.

As described under Management Compensation Plans Following the IPO Synchrony 2014 Long-Term Incentive Plan, prior to completion of the IPO, we established and adopted plans for our selected employees providing for stock options, SARs, restricted stock, RSUs, performance awards (stock or cash-based) and other stock-based awards. However, we expect that certain of our employees will continue to participate in the GECC Executive Incentive Compensation Plan until the date that GE ceases to own at least 50% of our outstanding common stock. We expect that our corresponding plan providing for annual cash or other bonus awards will not become effective until the date that GE ceases to own at least 50% of our outstanding common stock.

Treatment of our U.S. employees under certain GE plans.

Effective as of the date that GE ceases to own at least 50% of our outstanding common stock: (i) our employees will cease to accrue any benefits under the GE retirement plans and (ii) our employees will fully vest in the GE retirement plans. However, with respect to the GE Supplementary Pension Plan and the GE Excess Benefit Plan, only those employees who have at least ten years of qualified pension service as of the date that GE ceases to own at least 50% of our outstanding common stock will vest in such plan. GE will be responsible for paying directly to our eligible employees (including their surviving spouses and beneficiaries) any vested benefits to which they are entitled under the GE retirement plans when eligible under the terms of such plans to receive such payments. We will have certain reimbursement obligations to GE.

GE generally will remain obligated to provide post-retirement welfare benefits under the GE Health Choice Plan and the GE Life, Disability and Medical Plan, consistent with the terms of the plan as in effect from time to time, to our employees and their eligible dependents who, as of the date GE ceases to own at least 50% of our outstanding common stock, are participants in such plan and either (i) have completed 25 years of eligible service with us, our affiliates and their respective predecessors or (ii) have attained at least 60 years of age and have completed at least ten years of eligible service, in either case upon such employee's election to participate in the GE Health Choice Plan or the GE Life, Disability and Medical Plan. Participation by our employees will be under circumstances and at the applicable contribution levels entitling them to receive such benefits pursuant to the terms of the GE Health Choice Plan or the GE Life, Disability and Medical Plan. GE will be responsible for paying directly to our eligible employees and their eligible dependents any post-retirement welfare benefits pursuant to such coverage. We will have certain reimbursement obligations to GE.

GE generally will retain responsibility under the GE benefit plans that are welfare benefit plans in which our employees participate with respect to all amounts that are payable by reason of, or in connection with, any and all welfare benefit claims made by such employees and their eligible dependents to the extent the claims were incurred prior to the date that GE ceases to own at least 50% of our outstanding common stock. We will have certain reimbursement obligations to GE.

As of the date GE ceases to own at least 50% of our outstanding common stock, all unvested GE stock options that are held by our employees will vest and all unexercised GE stock options will remain exercisable in accordance with their terms and the GE 2007 Long-Term Incentive Plan. Each such GE stock option permits the

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holder, generally for a period of ten years from the date of grant or, if earlier, five years from the date that GE ceases to own at least 50% of our outstanding common stock, to purchase one share of GE stock from GE at the market price of GE stock on the date of grant.

Agreements not to solicit or hire GE's or our employees.

We have agreed with GE that for so long as GE beneficially owns at least 50% of our outstanding common stock, and for a certain period of time after GE ceases to beneficially own at least 50% of our outstanding common stock, neither of us will, directly or indirectly, solicit or hire for employment certain of each other's employees.

Intellectual Property Arrangements

Prior to the completion of the IPO, we entered into the following intellectual property license agreements with GE, GECC and/or their affiliates:

a Transitional Trademark License Agreement; and

an Intellectual Property Cross License Agreement.

Transitional Trademark License Agreement

Pursuant to the Transitional Trademark License Agreement, GE granted us a limited, non-exclusive, royalty-free, non-transferable license (with no right to sublicense) to use (i) certain GE, GE Capital, GE Capital Retail Bank, GE Money and GECAF marks and related GECAF logos and the GE monogram in connection with our products and services until such time as GE ceases to beneficially own more than 50% of our outstanding common stock, subject to certain exceptions (e.g., we will generally have a right to use those marks and related logos and the monogram on our credit cards for a period of three and a half years after the completion of the IPO); and (ii) the Built from GE Heritage tagline in connection with our products and services and in the general promotion of our business for a period of three years after GE ceases to beneficially own more than 50% of our outstanding common stock. The Transitional Trademark License Agreement automatically terminates in the event of our merger or consolidation with, or sale of substantially all of our assets to, an unrelated third person, or our change of control whereby an unrelated third person acquires control over us. GE also retains the right to terminate the Transitional Trademark License Agreement in the event we materially breach its provisions. In addition, the Transitional Trademark License Agreement automatically terminates in the event of our bankruptcy, insolvency, liquidation, dissolution or similar event. The Transitional Trademark License Agreement also automatically terminates with respect to any of our subsidiaries in the event of such subsidiary's merger or consolidation with, or sale of substantially all of its assets to, an unrelated third person, or its change of control whereby an unrelated third person acquires control over it, or upon such subsidiary's bankruptcy, insolvency, liquidation, dissolution or similar event.

Intellectual Property Cross License Agreement

Pursuant to the Intellectual Property Cross License Agreement, we and GE have granted each other a non-exclusive, irrevocable, royalty-free, fully paid-up, worldwide, perpetual license under certain intellectual property rights that we each own or license. The intellectual property rights being licensed (with no rights to sublicense except as described below) under the Intellectual Property Cross License Agreement are invention disclosures, patents, patent applications, statutory invention registrations, copyrights, mask work rights, database rights and design rights and

trade secrets (but not including trademarks, service marks, trade dress, logos, other source identifiers or domain names, intellectual property made available under the Transitional Services Agreement, internet protocol addresses or patents subject to standard setting organization obligations) and limited rights to certain GE policies and materials. The intellectual property rights being licensed under the Intellectual Property Cross License Agreement also must be those that we and GE have the right to license and that are used, held for use or contemplated to be used by the licensee generally prior to the completion of the IPO. In addition, with respect to any third-party intellectual property licensed under the Intellectual Property Cross License Agreement, we and

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GE have only granted each other sublicenses to the extent each has the right to do so under the applicable third-party intellectual property licenses. The license allows us and GE to make, have made, use, sell, have sold, import and otherwise commercialize certain products and services, to use and practice the licensed intellectual property rights for internal purposes, and to develop and create improvements to such licensed intellectual property. Each party will only sublicense its license rights to acquirors of its businesses, operations or assets. Each party can only assign its license rights to an acquiror of all or substantially all of its assets or equity, the surviving entity in its merger, consolidation, equity exchange or reorganization, or in the case of GE, to its affiliates or, in the case of our Company, to our subsidiaries. Each party owns any modifications, derivative works and improvements it creates. The Intellectual Property Cross License Agreement is perpetual and may not be terminated, even upon material breach, except upon mutual written agreement by us and GE.

Other Related Party Transactions***Formation of Synchrony***

Between April 1, 2013 and October 15, 2013: (i) GEFCI contributed the stock of the Bank to us as a capital contribution and (ii) in exchange for all of our outstanding common stock (other than the shares issued in connection with our formation in 2003 for nominal consideration) and approximately \$1.6 billion, we acquired from GE its interests in RFS Holding, Inc., GEC RF Global Services Philippines, Inc., RIH, CareCredit LLC and GE Global Servicing Private Limited, as well as certain receivables and other tangible and intangible assets related to the North American retail finance business. The remaining assets and operations of the North American retail finance business subsequently have been transferred to us.

Funding Provided by GECC

GECC historically has provided funding to us pursuant to various intercompany funding arrangements. All amounts outstanding under these arrangements upon the completion of the IPO (the Outstanding Related Party Debt) were repaid at that time. For information on these arrangements as reflected in our combined historical financial statements, see Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity Funding Sources, for a description of funding provided by GECC in connection with the IPO, see Description of Certain Indebtedness New GECC Term Loan Facility and for information on the use of proceeds, see Use of Proceeds.

The Company's historic funding arrangements with GECC have included five revolving credit facilities (the GECC Revolving Credit Facilities) between GECC (or certain of its subsidiaries) and the Bank (or certain of its subsidiaries) pursuant to which the Bank may borrow up to an aggregate of \$10 billion. All amounts outstanding under the GECC Revolving Credit Facilities were repaid upon closing of the IPO as discussed under Use of Proceeds. We intend, subject to OCC non-objection, to terminate the GECC Revolving Credit Facilities and replace them with a new intercompany revolving credit facility between the Company (as lender) and the Bank (as borrower). We cannot be certain that the Bank will obtain such non-objection from the OCC or what conditions may be imposed in connection with any such non-objection. The GECC Revolving Credit Facilities will remain in place until the Bank obtains the OCC's non-objection (or until they are otherwise terminated in accordance with their terms). In any event, we do not currently expect the Bank to make any further borrowings under the GECC Revolving Credit Facilities.

If we are unable to obtain the OCC non-objection to terminate the GECC Revolving Credit Facilities earlier, they would mature on September 30, 2018, and GECC can terminate them earlier upon the occurrence of certain events including the sale or other transfer (direct or indirect) of 50% or more of the capital stock of the Bank (including in connection with the Split-off), other than to an affiliate or subsidiary of GECC. Loans made under the GECC Revolving Credit Facilities bear interest at GECC's cost of funds.

Table of Contents***Securitized Financings***

For information regarding GECC's roles as servicer and servicer performance guarantor in connection with certain of our securitizations, see Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Funding Sources Securitized Financings and Description of Certain Indebtedness Securitized Financings.

Historically, GECC has served as servicer performance guarantor for the Bank as servicer of SFT (the Bank, in such capacity, the SFT Servicer) and for the Bank as servicer of GMT (the Bank, in such capacity, the GMT Servicer). Pursuant to the servicer performance guarantees for SFT and GMT, GECC guaranteed the performance by the SFT Servicer and the GMT Servicer of their respective obligations under the securitization documents. We have not compensated GECC for providing either of these guarantees and GECC has not been required to undertake any performance with respect to the guarantees. We have entered into amendments to the documents governing each SFT series and the sole GMT series pursuant to which the noteholders have released GECC from its obligations as servicer performance guarantor and waived the related amortization event that could otherwise occur when the servicer performance guaranty is no longer in effect.

We have entered into contribution agreements with GECC pursuant to which GECC has agreed that in the event of certain indemnity claims against us relating to our securitized financings and under certain other circumstances, it will make contributions to us to the extent required for us to make any required indemnity payments. We have not compensated GECC for entering into these contribution agreements and GECC has not been required to make any payments with respect to these agreements. In connection with the completion of the IPO, we terminated these contribution agreements with GECC.

Support Servicing

Prior to completion of the IPO, we were party to certain servicing agreements and subservicing agreements with GECC with respect to a broad range of services (including business development, risk, underwriting and collections, operations and customer service support, information technology and other administrative services (including services related to loan receivables owned by the Bank)) for the Bank and servicing and administrative services relating to loan receivables owned by MNT, SFT and GMT. For these arrangements, the part of GECC providing and receiving services was historically managed as part of our business and therefore related payments have been eliminated in our combined financial statements. On a legal entity basis (without regards to elimination in our combined financial statements), for the years ended December 31, 2013, 2012 and 2011, we incurred servicing expenses of \$874 million, \$849 million and \$1,200 million, respectively, and we received subservicing income of \$783 million, \$528 million and \$618 million, respectively. One of the servicing agreements pursuant to which GECC provides servicing and administrative services relating to loan receivables owned by MNT remains in effect, and we will continue to act as subservicer for MNT pursuant to a subservicing agreement with GECC that we entered into in connection with the completion of the IPO. In connection with the completion of the IPO, we terminated all other servicing and subservicing agreements with GECC and they were replaced by the Transitional Services Agreement to the extent these services will continue to be received from, or provided to, GECC following the IPO.

MNT Notes Owned by GECC

GECC purchased \$202 million, \$627 million and \$516 million aggregate principal amount of subordinated classes of MNT notes from us in the years ended December 31, 2013, 2012, and 2011, respectively, at an aggregate purchase price of slightly less than par. GECC owned \$1,312 million, \$1,424 million and \$1,873 million aggregate principal amount of subordinated classes of MNT notes at December 31, 2013, 2012 and 2011, respectively (representing MNT

notes purchased during and prior to those periods). GECC recognized \$39 million, \$71 million and \$113 million of interest income, and received \$314 million, \$751 million and \$536 million of principal payments from MNT in the years ended December 31, 2013, 2012, and 2011, respectively. Most of these notes were

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owned by parts of GECC that historically were managed as part of our business and therefore the notes have been eliminated in our combined financial statements. As of May 30, 2014, all of the notes, having an outstanding principal balance of \$1,324 million, were transferred to us for a purchase price of \$1,333 million.

Credit Agreement Guarantees by GE

We are a party to revolving credit agreements with two banks, each of which provides a revolving line of credit of up to \$500 million. GE has guaranteed our payment obligations under the agreements. We have agreed to pay GE a fee based on market rates and amounts outstanding under the agreements. No amounts have been borrowed under the agreements in the years ended December 31, 2013, 2012 and 2011, and therefore no fees have been paid to GE for the guarantees. We currently anticipate that these agreements and the guarantees will be terminated following completion of the Transactions.

Other Services Provided by GE

We also receive services provided by GE under other arrangements where our business is only a recipient of services. For the years ended December 31, 2013, 2012 and 2011, we incurred \$437 million, \$390 million and \$364 million of expenses relating to services provided by GE in our Combined Statements of Earnings, respectively. For a description of those cases where we are only a recipient of services and the associated historical costs, see Management's Discussion and Analysis of Financial Condition and Results of Operations Separation from GE and Related Financial Arrangements. GE will continue to provide us with many support services on a transitional basis pursuant to the agreements described under Relationship with GE and GECC Transitional Services Agreement.

We also make payments to GE for use of certain intellectual property pursuant to a service mark and trade name agreement, and we incurred \$20.0 million, \$15.6 million and \$12.4 million of expenses in the years ended December 31, 2013, 2012 and 2011, respectively, for use of this intellectual property. In connection with the completion of the IPO, we terminated this agreement and replaced it with the Transitional Trademark License Agreement.

CALMA

In connection with the OCC's December 12, 2012 approval of the Bank's assumption of certain deposits and related liabilities of MetLife and acquisition of certain assets of MetLife, the Bank entered into the CALMA with GECC, GECFI and the Company, dated as of January 11, 2013. The CALMA remains in effect after the completion of the IPO. For information regarding the CALMA, see Regulation Savings Association Regulation. We have not compensated GECC for entering into the CALMA, and it has not been required to make any payments under this agreement.

Support Agreement Related to Purchased Receivables

On December 30, 2008, the Bank acquired approximately \$5.5 billion of loan receivables from GE, and the Bank, GECC and GECFI entered into a Parental Support Agreement (the PSA), pursuant to which, among other things: (i) GECFI agreed to purchase from the Bank any transferred receivables that became low-quality assets and reimburse the Bank for any losses incurred on these receivables, (ii) GECFI and GECC committed to provide capital if the Bank was unable to maintain specified capital requirements until December 31, 2010, (iii) GECC waived its right to terminate or restrict the Bank's access under certain funding arrangements with GECC and (iv) GECFI was required to pledge certain assets to the Bank to support GECFI's and GECC's obligations under the PSA. GECC and GECFI's obligations under the PSA terminated as of December 30, 2013. The aggregate payments made by GECFI to the Bank

to repurchase loans and reimburse for losses pursuant to the PSA was \$27 million, \$45 million and \$88 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Table of Contents***Commercial Credit Support by GE and Other Arrangements***

In the ordinary course of our business, GE has provided payment and performance guarantees with respect to certain of our obligations under a limited number of partner program agreements. We have not compensated GE for providing any of these guarantees and GE has not been required to make any payments or undertake any performance with respect to the guarantees. To the extent that the guarantee was not replaced prior to the completion of the IPO, we intend to replace such guarantee as soon as practicable, and we have agreed that, until we do so, we will be liable to GE for certain costs, fees and indemnification and reimbursement obligations relating to such guarantee. See

Arrangements Among GE, GECC and Our Company Relationship with GE and GECC Master Agreement Credit Support Obligations.

GECC and the Bank are both creditors of one of our former partners and have entered into an intercreditor agreement that defines their relative rights with respect to payments received after the occurrence of certain specified events. To date the agreement has not affected any payments otherwise payable to the Bank.

In connection with the extension of one of our program agreements, GE agreed not to pursue certain intellectual property claims against the partner so long as the program agreement remains in effect. The partner has the right to terminate the program agreement if GE pursues those claims. We paid GE an immaterial amount for GE's agreement not to pursue its claims.

GE Appliances Program Agreements

We entered into a program agreement with GE that provides consumer financing to qualified customers purchasing appliances on an online store operated by GE's Home & Business Solutions division (GEHB). We also entered into a program agreement with GEHB under which credit-based promotions may be provided to qualified customers of participating dealers with whom we have a consumer financing program and who are part of GEHB's dealer network when such customers purchase specially-designated GE products. Customers can use the participating dealer financing program to purchase both GE and non-GE products from the dealers but the credit-based promotions apply only when purchasing such designated GE products. The terms of these programs (including the fees paid by GE to us and by us to GE) are generally comparable to those offered to unrelated parties for similar programs. The aggregate payments made by GE to us under these programs was \$1.1 million, \$2.2 million and \$2.8 million for the years ended December 31, 2013, 2012 and 2011, respectively. The aggregate payments by us to GE under these programs were \$0.2 million, \$0.3 million and \$0.4 million for the years ended December 31, 2013, 2012 and 2011, respectively.

GECC Deposits in the Bank

From time to time, the Bank extends credit to its customers in transactions where the transaction proceeds are used for the benefit of, or are otherwise transferred to, GE or one of its subsidiaries (a Covered Transaction). To ensure the Bank's compliance with applicable laws relating to Covered Transactions (including Federal Reserve Board Regulation W), GECC has, from time to time, deposited funds with the Bank as collateral for the Covered Transactions (the Segregated Deposits). The deposits earned interest at market rates and the aggregate interest expense in respect of the Segregated Deposits was \$2.0 million, \$1.9 million and \$1.3 million for the years ended December 31, 2013, 2012 and 2011, respectively. At December 31, 2013, 2012 and 2011, the aggregate balance of the Segregated Deposits was \$651 million, \$301 million and \$251 million, respectively. In connection with the IPO, GECC assigned these deposits to us and these deposits have been eliminated in the combined financial statements.

Tax Allocation Agreement

Prior to the completion of the IPO, GECC and the Bank were parties to a tax allocation agreement. The amount payable by the Bank under the tax allocation agreement in respect of U.S. federal, state and local income taxes is generally calculated to be the amount that the Bank would have to pay if it were paying its taxes on a stand alone basis as if the Bank filed tax returns separate from GE and its subsidiaries. The Bank made tax

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payments for the years ended December 31, 2013, 2012 and 2011 of \$1,188 million, \$1,359 million and \$355 million, respectively, in respect of U.S. federal, state and local income taxes under the tax allocation agreement. This tax allocation agreement between GECC and the Bank has been terminated and was replaced with an agreement between the Bank and Synchrony (the Bank Agreement). GE is also a party to the Bank Agreement for the limited purpose of agreeing to hold certain tax refunds allocable to the Bank in trust for the benefit of the Bank and to otherwise act as an agent for the Bank in its dealings with taxing authorities on the Bank s behalf.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

Prior to the completion of the IPO, all shares of our common stock were owned by GE Consumer Finance, Inc., an indirect subsidiary of GE. Following the IPO, we have 830,270,833 shares of common stock issued and outstanding, assuming the underwriters' option to purchase additional shares of common stock from us in the IPO is not exercised, and 849,020,833 shares, if it is exercised in full. Following completion of the IPO, GE (through GE Consumer Finance, Inc.) beneficially owns approximately 84.9% of our outstanding common stock, assuming the underwriters' option to purchase additional shares of common stock from us in the IPO is not exercised, and 83.1%, if it is exercised in full.

The following table sets forth information at July 18, 2014 regarding the beneficial ownership of our common stock by:

all persons known by us to own beneficially more than 5% of our common stock, including GE Consumer Finance, Inc.;

our chief executive officer and each of our NEOs;

each of our directors; and

all directors and executive officers as a group.

The following table does not reflect any shares of our common stock that our directors and officers purchased in the IPO.

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the date of this prospectus are deemed to be issued and outstanding. These shares, however, are not deemed outstanding for purposes of computing percentage ownership of each other stockholder.

Name and Address of Beneficial Owner ⁽¹⁾	Beneficial Ownership Prior to the Completion of the IPO		Number of Shares to be Sold in the IPO	Beneficial Ownership After the Completion of the IPO	
	Number	Percentage		Number	Percentage
GE Consumer Finance, Inc.	705,270,833	100%	0	705,270,833	84.9%
Margaret M. Keane	0	0%	0	0	0%
Brian D. Doubles	0	0%	0	0	0%
Glenn P. Marino	0	0%	0	0	0%
Jonathan S. Mothner	0	0%	0	0	0%
Thomas M. Quindlen	0	0%	0	0	0%

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William H. Cary	0	0%	0	0	0%
Daniel O. Colao	0	0%	0	0	0%
Alexander Dimitrief	0	0%	0	0	0%
Roy A. Guthrie	0	0%	0	0	0%
Richard C. Hartnack	0	0%	0	0	0%
Anne Kennelly Kratky	0	0%	0	0	0%
Jeffrey G. Naylor	0	0%	0	0	0%
Dmitri L. Stockton	0	0%	0	0	0%
All directors and executive officers as a group (16 persons)	0	0%	0	0	0%

(1) The address for GE Consumer Finance, Inc. is 777 Long Ridge Rd., Stamford, Connecticut 06902. The address for all other persons is c/o Synchrony Financial, 777 Long Ridge Rd., Stamford, Connecticut 06902. GE, as the ultimate parent of GE Consumer Finance, Inc., is the sole beneficial owner of all shares of our common stock owned of record by GE Consumer Finance, Inc. The address for GE is 3135 Easton Turnpike, Fairfield, Connecticut 06828.

Table of Contents**DESCRIPTION OF THE NOTES**

The following description is only a summary of the material provisions of the notes and the indenture. It does not purport to be complete and is qualified in its entirety by reference to the provisions of the indenture, the first supplemental indenture and the forms of notes that are filed as exhibits to the registration statement of which this prospectus forms a part, including the definitions therein of certain terms used below, and to the Trust Indenture Act of 1939. We urge you to read the indenture, the first supplemental indenture and the form of note because they, and not this description of the notes, 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 will issue the notes under an indenture (the **base indenture**), to be dated as of August 1, 2014, between us and The Bank of New York Mellon, as trustee (the **trustee**), as supplemented by a first supplemental indenture (the **supplemental indenture**), to be dated as of August 1, 2014, between us and the trustee. We refer to the base indenture, as supplemented by the supplemental indenture, as the **indenture**. The trustee will initially be the security registrar and paying agent for the notes.

The notes are initially limited to \$3,000,000,000 aggregate principal amount, consisting of \$500,000,000 aggregate principal amount of 2017 notes, \$750,000,000 aggregate principal amount of 2019 notes, \$750,000,000 aggregate principal amount of 2021 notes and \$1,000,000,000 aggregate principal amount of 2024 notes.

The 2017 notes will mature at par on August 1, 2017. The 2019 notes will mature at par on August 1, 2019. The 2021 notes will mature at par on August 1, 2021. The 2024 notes will mature at par on August 1, 2024.

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.

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

Each series of the notes 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**) and in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

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) which we may incur.

We may, from time to time, without the consent of the holders of notes of a particular series, reopen such series of notes and issue additional notes of such series having the same ranking and the same interest rate, maturity and other terms as the notes of such series, 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 of such series offered by this prospectus, 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 of such series 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 series of notes of which such additional notes would be a part.

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We will maintain an office in the Borough of Manhattan, the City of New York where we will pay the principal and premium, if any, 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

2017 notes. Interest on the 2017 notes will accrue from _____, 2014 and is payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2015, to the persons in whose names the 2017 notes are registered at the close of business on _____ and _____ (whether or not a business day), respectively, immediately prior to each interest payment date at the annual rate of _____ % per year; *provided* that the interest due on redemption or at maturity (whether or not an interest payment date) will be paid to the person to whom principal is payable.

2019 notes. Interest on the 2019 notes will accrue from _____, 2014 and is payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2015, to the persons in whose names the 2019 notes are registered at the close of business on _____ and _____ (whether or not a business day), respectively, immediately prior to each interest payment date at the annual rate of _____ % per year; *provided* that the interest due on redemption or at maturity (whether or not an interest payment date) will be paid to the person to whom principal is payable.

2021 notes. Interest on the 2021 notes will accrue from _____, 2014 and is payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2015, to the persons in whose names the 2021 notes are registered at the close of business on _____ and _____ (whether or not a business day), respectively, immediately prior to each interest payment date at the annual rate of _____ % per year; *provided* that the interest due on redemption or at maturity (whether or not an interest payment date) will be paid to the person to whom principal is payable.

2024 notes. Interest on the 2024 notes will accrue from _____, 2014 and is payable semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2015, to the persons in whose names the 2024 notes are registered at the close of business on _____ and _____ (whether or not a business day), respectively, immediately prior to each interest payment date at the annual rate of _____ % per year; *provided* that the interest due on redemption or at maturity (whether or not an interest payment date) will be paid to the person to whom principal is payable.

For any full semi-annual period in respect of a series of notes, the amount of interest will be calculated on the basis of a 360-day year of twelve 30-day months. For any period shorter than a full semi-annual period, the amount of interest will be calculated on the basis of a 30-day month, and, for any period less than a month, on the basis of the actual number of days elapsed per 30-day month. If any scheduled interest payment date falls on a day that is not a business day, then payment of interest payable on such interest payment date will be postponed to the next succeeding day which is a business day, and no interest on such payment will accrue for the period from and after such scheduled interest payment date.

If the maturity date or a redemption date for any series of notes falls on a date that is not a business day, then the related payments of principal, premium, if any, and interest will be made on the next succeeding business day, and no interest on such payment will accrue for the period from the maturity date or such redemption date, as the case may be.

Ranking

The notes will be our direct, unsecured obligations and will rank without preference or priority among themselves and 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.

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We are a holding company and conduct substantially all of our operations through subsidiaries. However, the notes will be obligations exclusively of Synchrony Financial and will not be guaranteed by any of our subsidiaries. As a result, the notes will be 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 assets before holders of the notes would have any claims to those assets. As of March 31, 2014, our subsidiaries and securitization entities had outstanding \$45,317 million of total liabilities, including \$42,195 million 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 Risk 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. Our subsidiaries have no obligation to pay any amounts due on the notes.

As of March 31, 2014, pro forma for the Transactions, Synchrony Financial would have had no secured indebtedness outstanding, and \$9,500 million 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

At any time and from time to time prior to _____, 2017 (in the case of the 2017 notes) _____, 2019 (in the case of the 2019 notes), _____, 2021 (in the case of the 2021 notes) and _____, 2024 (in the case of the 2024 notes), we may redeem the applicable series of notes, in whole or in part, at our option, as set forth below. We may redeem such notes at a redemption price equal to the greater of:

- (i) 100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date for the notes to be redeemed; and
- (ii) the sum of the present values of the remaining scheduled payments of principal and interest in respect of the notes to be redeemed (not including any portion of the interest accrued to, but excluding, the redemption date for the notes to be redeemed), discounted to such redemption date, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at the applicable Treasury Rate plus (A) _____ basis points for the 2017 notes, (B) _____ basis points for the 2019 notes, (C) _____ basis points for the 2021 notes, or (D) _____ basis points for the 2024 notes plus, in each case, accrued and unpaid interest to, but excluding, the redemption date of the series of notes to be redeemed.

At any time and from time to time on or after _____, 2017 (in the case of the 2017 notes), _____, 2019 (in the case of the 2019 notes), _____, 2021 (in the case of the 2021 notes) and _____, 2024 (in the case of the 2024 notes), we may redeem the applicable series of notes, in whole or in part, at our option, at a redemption price equal to 100% of the principal amount of the notes of such series to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date of the series of notes to be redeemed.

We will mail (or otherwise deliver in accordance with the applicable procedures of DTC) notice of any redemption of notes to the registered address of each holder of the series of notes to be redeemed at least 30 days and not more than

60 days prior to the applicable redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term (Remaining Life) of the applicable

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series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed.

Comparable Treasury Price means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date for the applicable series of notes to be redeemed, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means an independent investment banking institution of national standing appointed by us, which may be one of the Reference Treasury Dealers.

Reference Treasury Dealer means each of Citigroup Global Markets Inc., Goldman, Sachs & Co., and J.P. Morgan Securities LLC or their respective affiliates which are primary U.S. Government securities dealers in New York City (a **Primary Treasury Dealer**), and their respective successors, plus two other Primary Treasury Dealers selected by us; *provided* that if any of the foregoing or their affiliates shall cease to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the applicable series of notes to be redeemed (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by the Reference Treasury Dealer at 3:30 p.m. on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the semiannual equivalent yield to maturity of the Comparable Treasury Issue for the applicable series of notes to be redeemed, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date with respect to the applicable series of notes to be redeemed.

Certain Covenants

Set forth below are summaries of certain covenants in the indenture that will apply to us. However, the indenture will not significantly limit our operations. In particular, the indenture will not:

limit the amount of dividends that we can pay;

limit the amount of debt securities that we can issue from time to time;

limit the number of series of debt securities that we can issue from time to time;

limit or otherwise restrict the total amount of debt that we or our subsidiaries may incur or the amount of other securities that we may issue; or

contain any covenant or other provision that is specifically intended to afford any holder of notes any protection in the event of highly leveraged transactions or similar transactions involving us or our subsidiaries.

Limitation on Disposition of Voting Stock of the Bank

The indenture will contain a covenant limiting our ability to dispose of the Voting Stock of a Bank Subsidiary (as defined below). This covenant generally provides that, except as permitted as described under Consolidation, Merger and Sale of Assets, as long as any of the notes are outstanding:

neither we nor any of our subsidiaries will sell, assign, transfer or otherwise dispose of any shares of Voting Stock of a Bank Subsidiary, or securities convertible into or options, warrants or rights to

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subscribe for or purchase shares of Voting Stock of a Bank Subsidiary, and we will not permit any Bank Subsidiary to issue any shares of, or securities convertible into or options, warrants or rights to subscribe for or purchase shares of, Voting Stock of a Bank Subsidiary, in each case if, after giving effect to such transaction and to the issuance of the maximum number of shares of Voting Stock of such Bank Subsidiary issuable upon the exercise of all such convertible securities, options, warrants or rights, such Bank Subsidiary would cease to be a controlled subsidiary (as defined below); and

we will not permit any Bank Subsidiary to merge or consolidate with or into any corporation unless the survivor is us or is, or upon consummation of the merger or consolidation will become, a controlled subsidiary, or to lease, sell or transfer all or substantially all of its properties and assets to any person except to us or a controlled subsidiary or a person that upon such lease, sale or transfer will become a controlled subsidiary.

A Bank Subsidiary is the Bank, any successor to the Bank, or any subsidiary of the Company that owns, directly or indirectly, any Voting Securities of the Bank or any successor to the Bank.

A controlled subsidiary is a subsidiary of the Company in respect of which at least 80% of the outstanding shares of the Voting Stock of such subsidiary is at the time owned by us, by one or more of our subsidiaries or by us and one or more of our controlled subsidiaries.

Voting Stock of any specified person as of any date means the capital stock of such person of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such person; *provided* that, for the purposes hereof, capital stock which carries only the right to vote conditionally on the happening of an event shall not be considered Voting Stock whether or not such event shall have happened.

The limitations described above do not apply to transactions required by law, rule, regulation or order of any governmental agency or authority. In addition, for the avoidance of doubt, the limitations described in the second bullet point above will not apply to any transfer of loan receivables, on customary terms and in the ordinary course of business, directly or indirectly to our securitization entities in connection with our securitization financing facilities.

Limitation on Creation of Liens

The indenture will contain a covenant limiting our ability to create liens on the Voting Stock of a Bank Subsidiary. This covenant generally provides that, as long as any of the notes are outstanding, neither we nor any of our subsidiaries will create, assume or incur any pledge, encumbrance or lien upon any shares of Voting Stock of a Bank Subsidiary, or upon securities convertible into or options, warrants or rights to subscribe for or purchase, any shares of Voting Stock of a Bank Subsidiary, in each case to secure indebtedness for borrowed money, if, treating such pledge, encumbrance or lien as a transfer of the shares of Voting Stock of such Bank Subsidiary or securities convertible into or options, warrants or rights to subscribe for or purchase shares of Voting Stock of such Bank Subsidiary to the secured party (in each case after giving effect to such transaction and to the issuance of the maximum number of shares of Voting Stock of such Bank Subsidiary issuable upon the exercise of all such convertible securities, options, warrants or rights), such Bank Subsidiary would cease to be a controlled subsidiary (as defined above), unless the notes are equally and ratably secured with any and all such indebtedness for so long as such indebtedness is so secured.

In addition, for the avoidance of doubt, the limitations described in the preceding paragraph will not apply to the incurrence of any pledge, encumbrance or lien upon loan receivables, on customary terms and in the ordinary course

of business, in connection with our securitization financing facilities.

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Reports

We will be required to file with the trustee, within 15 days after we are required to file the same with the SEC, copies of the annual reports and of the information, documents, and other reports that we are required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act or pursuant to Section 314 of the Trust Indenture Act of 1939 (the Trust Indenture Act). Annual reports, information, documents and reports that are filed by us with the SEC via the EDGAR system or any successor electronic delivery procedure will be deemed to be filed with the trustee at the time such documents are filed via the EDGAR system or such successor procedure. Delivery of such reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt of such will not constitute constructive notice of any information contained therein or determinable from information contained therein, including our compliance with any of our covenants hereunder.

Consolidation, Merger and Sale of Assets

We will covenant in the indenture that we will not (i) merge or consolidate with any other person, nor (ii) sell, convey, transfer or otherwise dispose of all or substantially all of our assets to any person (other than a subsidiary), in each case unless:

either we are the continuing person or the successor person is a corporation or limited liability company organized and existing under the laws of the United States of America or any state thereof or the District of Columbia and this other person expressly assumes all of our obligations under the indenture and the notes; *provided* that, in the event that such successor person is not a corporation, another person that is a corporation shall expressly assume, as co-obligor with such successor person, all of our obligations under the indenture and the notes;

immediately after such merger or consolidation, or such sale, conveyance, transfer or other disposition, no default or event of default has occurred and is continuing under the indenture; and

we have delivered to the trustee an officer's certificate and an opinion of counsel, each stating that such merger, consolidation, sale, conveyance, transfer or other disposition and such supplemental indenture (if any) comply with the indenture.

In the event of any such merger, consolidation, sale, conveyance (other than by way of lease), transfer or other disposition, and upon any such assumption by the successor person, such successor person shall succeed to and be substituted for us, with the same effect as if it had been named in the indenture as us and we shall be relieved of any further obligations under the indenture and under the notes and the predecessor company may be dissolved, wound up and liquidated at any time thereafter.

For the avoidance of doubt, without limiting the foregoing, the limitations described in this section will not apply to any transfer of loan receivables, on customary terms and in the ordinary course of business, directly or indirectly to our securitization entities in connection with our securitization financing facilities.

Events of Default

Any of the following events will constitute an event of default under the indenture with respect to any series of the notes:

default in the payment of any installment of interest on such series of notes when due and payable, and the continuance of such default for 30 days;

default in the payment of the principal of, or premium, if any, on such series of notes when due and payable (whether at maturity, upon redemption or otherwise);

failure to observe or perform any other covenants or agreements in the indenture in respect of the notes of such series, which failure continues for 60 days after written notice, requiring us to remedy the same, from the trustee or holders of at least 25% of the outstanding principal amount of such series of notes as provided in the indenture;

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any indebtedness of ours or the Bank (or any successor to the Bank) for borrowed money is accelerated by its terms if the aggregate principal amount of such indebtedness which has been so accelerated exceeds \$100 million and the acceleration is not rescinded or annulled within 15 days after written notice from the trustee or holders of at least 25% of the outstanding principal amount of such series of notes as provided in the indenture; *provided* that this event of default will be remedied, cured or waived without further action upon the part of either the trustee or any of the holders if any default giving rise to the acceleration of such other indebtedness is remedied, cured or waived; and

specified events relating to the bankruptcy, insolvency, reorganization or receivership of us or the Bank (or any successor to the Bank).

Remedies

If an event of default arising from specified events of the bankruptcy, insolvency, reorganization or receivership of us or the Bank (or any successor to the Bank) occurs, the principal amount of all outstanding notes will become due and payable immediately, without further action or notice on the part of the holders of the notes or the trustee. If any other event of default with respect to a series of notes occurs, the trustee or the holders of not less than 25% in principal amount of outstanding notes of such series may declare the principal amount of the notes of such series to be due and payable immediately, by a notice in writing to us, and to the trustee if given by holders. Upon that declaration the principal amount of such series of notes will become immediately due and payable. However, at any time after a declaration has been made or such series of notes have otherwise become due and payable, but before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of outstanding notes of such series may, subject to conditions specified in the indenture, rescind and annul that declaration or acceleration and its consequences.

Subject to the provisions of the indenture relating to the duties of the trustee, if an event of default then exists, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at your request, order or direction, unless you have offered to the trustee reasonable security or indemnity. Subject to the provisions for the security or indemnification of the trustee and otherwise in accordance with the conditions specified in the indenture, the holders of a majority in principal amount of outstanding notes of any series have the right to direct the time, method and place of conducting any proceeding for and remedy available to the trustee, or exercising any trust or power conferred on the trustee in connection with the notes of such series.

Notice of Default

The trustee will, within 90 days after the occurrence of a default with respect to a series of notes, mail to the holders of such notes notice of such default relating to such series of notes, unless such default has been cured or waived. However, the Trust Indenture Act and the indenture currently permit the trustee to withhold notices of defaults (except for certain payment defaults) if the trustee in good faith determines that withholding of such notices to be in the interests of the holders.

We will furnish the trustee with an annual statement as to our compliance with the conditions and covenants in the indenture.

Legal Proceedings and Enforcement of Right of Payment

You will not have any right to institute any proceeding under or with respect to the indenture or for any remedy under the indenture, unless you have previously given to the trustee written notice of a continuing event of default with

respect to the notes. In addition, the holders of at least 25% in principal amount of the outstanding notes of a series must have made written request, and offered reasonable indemnity, to the trustee to institute that proceeding as trustee, and, within 60 days following the receipt of that notice, the trustee must not have received from the holders of a majority in principal amount of the outstanding notes of such series a direction inconsistent

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with that request, and must have failed to institute the proceeding. However, you will have an absolute right to receive payment of the principal of, premium, if any, and interest on that note at the place, time, rates and in the currency expressed in the indenture and the note and to institute a suit for the enforcement of that payment.

Modification of Indenture

We may enter into supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture with respect to one or more series of notes with the consent of holders of a majority in aggregate principal amount of the notes of all such series affected by such modification or amendment, voting as a single class. However, the consent of each holder affected is required for any amendment:

to change the stated maturity of principal of, or any installment of principal of or interest on, any note;

to reduce the rate of or extend the time for payment of interest, if any, on any note or to alter the manner of calculation of interest payable on any note;

to reduce the principal amount or premium, if any, on any note;

to make the principal of, premium, if any, or interest on any note payable in a different currency;

to reduce the percentage in principal amount of any series of notes, the holders of which are required to consent to any supplemental indenture or to any waiver of any past default or event of default;

to change any place of payment where the notes or interest thereon is payable;

to impair the right of any holder of the notes to receive payment of the principal of, or premium, if any, or interest on any note on or after the respective due dates for such principal or interest, or to institute suit for the enforcement of any such payment; or

to modify provisions of the indenture relating to waiver of defaults or amendment of the indenture, except to increase the percentage in principal amount of notes whose holders must consent to an amendment or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected by the modification or waiver.

Notwithstanding the foregoing, holders of the notes of any series shall vote as a separate class with respect to modifications or amendments that affect only the notes of such series, and the holders of other series of notes shall not have any voting rights with respect to such matters as they relate to the notes of such series.

In addition, we and the trustee with respect to the indenture may enter into supplemental indentures without the consent of the holders of the notes of any series for one or more of the following purposes:

to evidence that another corporation or limited liability company has become our successor and/or to add a co-obligor under the provisions of the indenture relating to mergers, consolidations, sales, conveyances, transfers or other dispositions of assets described under Consolidation, Merger and Sale of Assets above, and that the successor assumes our covenants, agreements and obligations in the indenture and in the notes;

to add to our covenants further covenants, restrictions, conditions or provisions for the protection of the holders of all or any series of the notes as our board of directors and the trustee shall consider to be for the protection of the holders of such notes, and to make a default in any of these additional covenants, restrictions, conditions or provisions a default or an event of default under the indenture;

to establish the forms or terms of debt securities of any series;

to cure any ambiguity, to correct or supplement any provisions that may be defective or inconsistent with any other provision or to make such other provisions in regard to matters or questions arising under the indenture that do not adversely affect the interests of the holders of such series of notes in

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any material respect; *provided* that any amendment made solely to conform the provisions of the indenture to the description of the notes contained in the prospectus or other offering document pursuant to which the notes were sold will not be deemed to adversely affect the interests of the holders of the notes;

to modify or amend the indenture to permit the qualification of the indenture or any supplemental indenture under the Trust Indenture Act as then in effect;

to provide for the issuance of additional debt securities of any series;

to provide for the exchange of any debt securities in global form represented by one or more global certificates for debt securities of the same series issued under the indenture in definitive certificated form in the circumstances permitted by the terms of the indenture and such debt securities, and to make all appropriate changes to the indenture for such purpose;

to add to, change or eliminate any of the provisions of the indenture in respect of one or more series of debt securities; *provided* that any such addition, change or elimination (i) shall not apply to, or modify the rights of any holder of, any debt security of any series created prior to the execution of such supplemental indenture or (ii) shall become effective only when no debt securities of any series created prior to the execution of such supplemental indenture are outstanding;

to add guarantees with respect to any series of the notes or to secure any series of the notes; and

to evidence and provide for the acceptance of appointment by a successor or separate trustee with respect to the notes.

Defeasance of Indenture

We have the right to terminate all of our obligations with respect to a series of notes under the covenants described above under **Certain Covenants** and under such other covenants for such series as may be established in the future in accordance with the terms of the indenture and to provide that the events described in the third bullet under **Events of Default** (as it relates to any covenants referred to in the preceding part of this sentence) and any other event of default expressed to be subject to covenant defeasance under the indenture shall no longer constitute events of default under this indenture, following irrevocably depositing in trust with the trustee, as trust funds solely for the benefit of noteholders of such series, money in an amount sufficient, U.S. government obligations the scheduled payments of principal and interest on which shall be sufficient, or a combination thereof sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification delivered to the Trustee, without consideration of any reinvestment of interest, to pay principal of, premium, if any, and interest, if any, on the notes of such series to their maturity or redemption, as the case may be, and complying with certain other conditions, including delivery to the trustee of an opinion of counsel, to the effect that you will not recognize income, gain or loss for federal income tax purposes as a result of our exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise.

In addition, we have the right at any time to terminate all of our obligations under the indenture with respect to any series of notes, other than (i) your right to receive, solely from the trust fund described below, payments of principal of, and interest on, such series of notes when due and (ii) certain obligations relating to the defeasance trust and obligations to register the transfer or exchange of the notes, to replace mutilated, lost or stolen notes, to maintain a registrar and paying agent in respect of the notes, to pay compensation to, and expenses of, the trustee, and with respect to the resignation or removal of the trustee, following irrevocably depositing in trust with the trustee, as trust funds solely for the benefit of noteholders of such series, money in an amount sufficient, U.S. government obligations the scheduled payments of principal and interest on which shall be sufficient, or a combination thereof sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification delivered to the trustee, without consideration of any reinvestment of interest, to pay principal of, premium, if any, and interest, if any, on the notes of such series to their maturity or

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redemption, as the case may be, and complying with certain other conditions, including delivery to the trustee of a ruling received from the Internal Revenue Service or an opinion of counsel to the effect that you will not recognize income, gain or loss for federal income tax purposes as a result of our exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise, which, in the case of an opinion of counsel, is based upon a change in law after the date of the indenture.

Satisfaction and Discharge

The indenture will generally cease to be of any further effect with respect to any series of notes, if:

either (i) we have delivered to the trustee for cancellation all outstanding notes of such series (with certain limited exceptions), or (ii) all such notes of such series not previously delivered to the trustee for cancellation have become due and payable, or are by their terms to become due and payable within one year, or are to be called for redemption within one year under arrangements satisfactory to the trustee, and we have deposited with the trustee in trust, funds sufficient to pay at maturity or upon redemption all of the outstanding notes of such series; and

if, in either case, we also pay or cause to be paid all other sums then payable under the indenture by us. Any monies and U.S. government obligations deposited with the trustee for payment of principal of, premium, if any, or interest, if any, on the notes of any series and not applied but remaining unclaimed by the holders of the notes of such series for two years after the date upon which the principal of, and interest and premium, if any, on, the notes of such series, as the case may be, shall have become due and payable, shall be repaid to us by the trustee on written demand. Thereafter, the holder of the notes of such series may look only to us for payment thereof.

Miscellaneous Provisions

The indenture provides that certain series of notes, including those for which payment has been deposited or set aside in trust as described under Satisfaction and Discharge above, will not be deemed to be outstanding in determining whether the holders of the requisite principal amount of the outstanding notes have given or taken any demand, direction, consent or other action under the indenture as of any date, or are present at a meeting of holders for quorum purposes.

We will be entitled to set any day as a record date for the purpose of determining the identity of holders of notes of any series issued under the indenture entitled to vote or consent (or to revoke any vote or consent) to any action under the indenture, in the manner and subject to the limitations provided in the indenture.

Resignation and Removal of the Trustee

The trustee may resign at any time by giving written notice thereof to us.

Under certain circumstances, we may remove the trustee and appoint a successor trustee. The trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding notes of one or more series.

No resignation or removal of the trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the indenture.

Governing Law

The indenture and the notes, and any claim, controversy or dispute arising under or related to the indenture and the notes, will be governed by and construed in accordance with the laws of the State of New York.

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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.

Book-Entry System

DTC, which we refer to along with its successors in this capacity as the depositary, will act as securities depositary for the notes. Each series of notes will be issued only as fully registered securities registered in the name of Cede & Co., the depositary's nominee. One or more fully registered global security certificates, representing the total aggregate principal amount of each series of the notes, will be issued with respect to each series of the notes and will be deposited with the depositary or its custodian and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the notes so long as the notes are represented by global security certificates.

Investors may elect to hold interests in the global notes through either DTC in the United States or Clearstream Banking, société anonyme (Clearstream, Luxembourg) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear System), in Europe if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and the Euroclear System will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and the Euroclear System's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank will act as depositary for the Euroclear System (in such capacities, the U.S. Depositaries).

DTC advises that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depositary holds securities that its participants deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the depositary's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant either directly, or indirectly. The rules applicable to the depositary and its participants are on file with the SEC.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations (Clearstream Participants) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depositary,

Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other

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organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to interests in the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

The Euroclear System advises that it was created in 1968 to hold securities for participants of the Euroclear System (Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear System includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. The Euroclear System is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear System cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to each series of notes held beneficially through the Euroclear System will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for the Euroclear System.

We will issue notes in definitive certificated form in exchange for global securities if:

the depository notifies us that it is unwilling or unable to continue as depository with respect to the applicable series of notes or the depository ceases to be a clearing agency registered under the Exchange Act and, in each case, a successor depository is not appointed by us within 90 days of such notice or of our becoming aware of such failure to be registered;

we determine at any time that the applicable series of notes will no longer be represented by global security certificates (in which case we will inform the depository of such determination and who will, in turn, notify participants of their right to withdraw their beneficial interest from the global security certificates representing such series of notes); or

any event shall have occurred and be continuing which, after notice or lapse of time, or both, would constitute an event of default with respect to the applicable series of notes, and such exchange is so requested by or on behalf of the depositary in accordance with customary procedures following the request of a beneficial owner seeking to exercise or enforce its rights under that series of notes.

Any global note, or portion thereof, that is exchangeable pursuant to this paragraph will be exchangeable for note certificates, as the case may be, registered in the names directed by the depositary. We expect that these instructions will be based upon directions received by the depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

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As long as the depository or its nominee is the registered owner of the global security certificates, the depository or its nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all notes represented by these certificates for all purposes under the notes and the indenture. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

will not be entitled to have the notes represented by these global security certificates registered in their names; and

will not be considered to be owners or holders of the global security certificates or any notes represented by these certificates for any purpose under the notes or the indenture.

All payments on the notes represented by the global security certificates and all transfers and deliveries of related notes will be made to the depository or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depository or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depository or its nominee, with respect to participants interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depository from time to time. Neither we nor the trustee will have any responsibility or liability for any aspect of the depository's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the depository's records or any participant's records relating to these beneficial ownership interests.

Although the depository has agreed to the foregoing procedures in order to facilitate transfers of interests in the global security certificates among participants, the depository is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depository or its direct participants or indirect participants under the rules and procedures governing the depository.

The information in this section concerning the depository, its book-entry system, Clearstream, Luxembourg and the Euroclear System has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depository;

however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take

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action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Participant on such business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or the Euroclear System cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and the Euroclear System have agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, Clearstream, Luxembourg and the Euroclear System, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time.

Table of Contents**DESCRIPTION OF CERTAIN INDEBTEDNESS****New Bank Term Loan Facility**

Prior to the completion of the IPO, we entered into a five-year \$8.0 billion unsecured term loan facility with a group of third party lenders and JPMorgan Chase Bank, N.A., as administrative agent (the New Bank Term Loan Facility).

The New Bank Term Loan Facility bears interest based upon, at our option, (i) a base rate plus a margin of 0.65% to 1.40% or (ii) a LIBOR rate plus a margin of 1.65% to 2.40%, with the margin, in each case, based on our long-term senior unsecured non-credit-enhanced debt ratings or, if such rating has not been assigned to our debt by the applicable rating agency, a corporate credit rating. The initial base rate and LIBOR rate margins will be 0.90% and 1.90%, respectively. The New Bank Term Loan Facility will mature on the fifth anniversary of its funding date (the New Bank Term Loan Maturity Date).

The New Bank Term Loan Facility includes: (a) affirmative covenants, which, among other things, require the Bank to remain a wholly-owned subsidiary of ours and (b) negative covenants which, among other things, restrict our and certain of our subsidiaries ability (subject to various exceptions) to incur liens, incur indebtedness, engage in transactions with affiliates, amend the New GECC Term Loan Facility or the Master Agreement, prepay the New GECC Term Loan Facility (except as provided below), and enter into certain restrictive agreements. The negative covenants also restrict our ability (subject to certain exceptions) to undergo various fundamental changes (including mergers, liquidations, sale-leaseback transactions and transfers of all or substantially all of our assets). The New Bank Term Loan Facility also contains financial covenants (to be tested on a quarterly basis) that require (i) Synchrony and, until Synchrony is subject to or elects to report under Basel III, the Bank, to maintain a minimum Tier 1 common ratio of not less than 10% (calculated in accordance with Basel I or Basel III, as applicable), (ii) Synchrony to maintain minimum liquidity of not less than \$4.0 billion and (iii) the Bank to maintain minimum liquidity of not less than \$2.0 billion. The New Bank Term Loan Facility includes customary events of default, including the occurrence of a change of control (which will not be triggered by the Split-off) and the occurrence of certain material adverse regulatory events.

Other than certain non-pro rata prepayments permitted to be made to the loan under the New GECC Term Loan Facility (the New GECC Loan) in reliance on guidance received by Synchrony, the Bank or GECC from applicable bank regulatory authorities to satisfy laws, regulatory capital or liquidity requirements (including for the avoidance of doubt any regulatory requirement or condition necessary to effect the Split-off or the GE SLHC Deregistration), voluntary prepayments of the loans outstanding under the New Bank Term Loan Facility (the New Bank Loans) shall be made on a pro rata basis with the New GECC Loan based on the principal amounts outstanding, respectively, at the time of such prepayment.

The first \$3.0 billion of Net Debt Proceeds of any debt securities (excluding, for the avoidance of doubt, the New Bank Loans and the New GECC Loan) issued by Synchrony on or after the closing of the IPO may be retained by Synchrony. There are no required amortization payments or prepayments of the New Bank Term Loan Facility, except that we will be required to prepay the New Bank Loans and the New GECC Loan with any Applicable Debt Proceeds (this and other capitalized terms used in this paragraph are defined below) received by Synchrony as follows (subject to clause (c) below):

(a) During the Initial Period, any Additional IPO Debt Proceeds received by Synchrony shall be applied to prepay the outstanding principal amounts of the New Bank Loans and the New GECC Loan on a pro rata basis based on the outstanding principal balances thereunder; and

(b) After the Initial Period:

(i) with respect to the remaining portion of the calendar year ended December 31, 2014 and the calendar years ended December 31, 2015 and December 31, 2016, the 2014-2016 Required Prepayment Amount of Post-IPO Debt Proceeds received by Synchrony shall be applied to prepay the outstanding

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principal amounts of the New Bank Loans and the New GECC Loan on a pro rata basis, based on the outstanding principal balances thereunder; provided, that, for each calendar year, all such calculations and required prepayments shall be made on an annual basis such that to the extent, during such calendar year, Synchrony has made aggregate prepayments of the New Bank Loans and the New GECC Loan from Post-IPO Debt Proceeds received during such calendar year (1) in an amount less than the 2014-2016 Required Prepayment Amount for such calendar year within 10 Business Days after January 1 of the following calendar year, Synchrony shall prepay the outstanding principal amounts of the New Bank Loans and the New GECC Loan on a pro rata basis, based on the outstanding principal balances thereunder, in an amount equal to such shortfall, and (2) in an amount greater than the 2014-2016 Required Prepayment Amount for such calendar year, Synchrony may, at its option, receive a dollar-for-dollar credit in the amount of such excess with respect to its prepayment obligations under this clause (b) in respect of the Required Prepayment Amount for the immediately following calendar year.

(ii) with respect to the calendar years ended December 31, 2017, December 31, 2018 and December 31, 2019, the 2017-2019 Required Prepayment Amount of Post-IPO Debt Proceeds received by Synchrony shall be applied to prepay the outstanding principal amounts of the New Bank Loans and the New GECC Loan on a pro rata basis, based on the outstanding principal balances thereunder; provided, that, for each calendar year, all such calculations and required prepayments shall be made on an annual basis such that to the extent, during such calendar year, Synchrony has made aggregate prepayments of the New Bank Loans and the New GECC Loan from Post-IPO Debt Proceeds received during such calendar year (1) in an amount less than the 2017-2019 Required Prepayment Amount for such calendar year within 10 Business Days after January 1 of the following calendar year, Synchrony shall prepay the outstanding principal amounts of the New Bank Loans and the New GECC Loan on a pro rata basis, based on the outstanding principal balances thereunder, in an amount equal to such shortfall and (2) in an amount greater than the 2017-2019 Required Prepayment Amount for such calendar year, Synchrony may, at its option, receive a dollar-for-dollar credit in the amount of such excess with respect to its prepayment obligations under this clause (b) in respect of the Required Prepayment Amount for the immediately following calendar year.

(c) Subject to the terms of the New GECC Term Loan Facility, any amount required to be applied to prepay the New GECC Loan pursuant to the foregoing provisions may, at Synchrony's election, be applied to prepay the New Bank Loans.

As used in this section, capitalized terms have the following meanings:

2014-2016 Required Prepayment Amount means, for the calendar years ended December 31, 2014, December 31, 2015 and December 31, 2016, the greater of (a) the excess of the (x) Post-IPO Debt Proceeds received by Synchrony in such calendar year over (y) the sum of \$500 million plus 20% of any Post-IPO Debt Proceeds received by Synchrony in excess of \$500 million in such calendar year and (b) the Early Maturing Bond Proceeds received by Synchrony in such calendar year.

2017-2019 Required Prepayment Amount means, for the calendar year ended December 31, 2017 and each calendar year thereafter, the greater of (a) the excess of (x) the Post-IPO Debt Proceeds received by Synchrony in such calendar year over (y) the sum of \$750 million plus 20% of any Post-IPO Debt Proceeds received by Synchrony in excess of \$750 million in such calendar year and (b) the Early Maturing Bond Proceeds received by Synchrony in such calendar year.

Additional IPO Debt Proceeds means the Net Debt Proceeds of any debt securities issued by Synchrony and evidenced by bonds, debentures, notes or similar instruments during the Initial Period; provided, that Additional IPO Debt Proceeds shall exclude (a) any Initial IPO Bond Proceeds, (b) the proceeds of (i) the New Bank Loans and the New GECC Loan and (ii) any loans issued pursuant to any bilateral or syndicated credit facility with third party

lenders and (c) Excluded Debt Proceeds.

Applicable Debt Proceeds means Additional IPO Debt Proceeds and Post-IPO Debt Proceeds, as the context may require.

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Early-Maturing Bond Proceeds means the Net Debt Proceeds of any indebtedness which constitute Post-IPO Debt Proceeds having a maturity date prior to the New Bank Term Loan Maturity Date.

Excluded Debt Proceeds means the proceeds of any loans or securities issued or incurred in order to comply with applicable law, regulatory capital or liquidity requirements (including for the avoidance of doubt any regulatory requirement or condition necessary to effect the Split-off or the GE SLHC Deregistration) of Synchrony, the Bank or GECC, as applicable, to the extent Synchrony, the Bank or GECC, as the case may be, based on their respective discussions with and/or guidance received from applicable bank regulatory authorities, in good faith reasonably determines in consultation with the lead arrangers of the New Bank Term Loan Facility, that such proceeds must be either applied to repay the New GECC Loan or retained by Synchrony to satisfy such law or regulatory capital or liquidity requirement, which determination shall be evidenced by a written certification from the chief risk officer of Synchrony or GECC.

Initial Period means the period commencing on the effective date of the New Bank Term Loan Facility and ending on the date that is three months after the funding date.

Initial IPO Bond Proceeds means the first \$3.0 billion of Net Debt Proceeds of any debt securities (excluding, for the avoidance of doubt, the New Bank Loans and the New GECC Loan) issued by Synchrony on or after the closing of the IPO.

Net Debt Proceeds means the cash proceeds net of all fees and expenses incurred in connection therewith, including from the issuance and incurrence of debt securities by Synchrony.

Post-IPO Debt Proceeds means the Net Debt Proceeds of any debt securities issued by Synchrony and evidenced by bonds, debentures, notes or similar instruments after the Initial Period; provided, that Post-IPO Debt Proceeds shall exclude (a) any Initial IPO Bond Proceeds, (b) the proceeds of any loans issued pursuant to any bilateral or syndicated credit facility with third party lenders and (c) Excluded Debt Proceeds.

Required Prepayment Amount means the 2014-2016 Required Prepayment Amount or the 2017-2019 Required Prepayment Amount, as applicable, with respect to any calendar year.

New GECC Term Loan Facility

Prior to the completion of the IPO, we also entered into a five-year \$1.5 billion unsecured term loan facility with GECC as lender and administrative agent (the **New GECC Term Loan Facility**).

The New GECC Term Loan Facility has substantially the same terms (including representations and warranties, affirmative and negative covenants (including financial covenants)) and events of default as the New Bank Term Loan Facility, except with respect to the interest rate and restrictions on GECC's ability to transfer the New GECC Loan. The New GECC Term Loan Facility bears interest based upon, at our option, (i) a base rate plus a margin of 3.00% or (ii) a LIBOR rate plus a margin of 4.00%. The New GECC Term Loan Facility will mature on the fifth anniversary of its funding date. The New GECC Term Loan Facility also includes more stringent restrictions on GECC's ability to transfer the New GECC Loan than those contained in the New Bank Term Loan Facility.

Other than certain non-pro rata prepayments permitted to be made to the New GECC Loan in reliance on guidance received by Synchrony, the Bank or GECC from applicable bank regulatory authorities to satisfy laws, regulatory capital or liquidity requirements (including for the avoidance of doubt any regulatory requirement or condition necessary to effect the Split-off or the GE SLHC Deregistration), all voluntary prepayments of the New GECC Loan

(other than with the Net Debt Proceeds of Excluded Debt Proceeds) shall be made on a pro rata basis with the New Bank Loans based on the principal amounts outstanding at the time of such prepayment. There are no required amortization/prepayments of the New GECC Term Loan Facility, except that we will be

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required to prepay the New GECC Loan and the New Bank Loans with certain proceeds of specified debt offerings as described above under *New Bank Term Loan Facility*.

Securitized Financings

A significant portion of our funding historically has, and in the future is expected to, come from the securitization of credit card receivables and other loans generated by us in the ordinary course of business. The securitization of receivables is accomplished by a series of transfers of the receivables to be securitized to a trust, which in turn issues to third-party investors asset-backed securities that are collateralized by the receivables in the securitization trust. The loan receivables transferred to the trusts are owned by the respective trust and are not available to third party creditors of the Company. The proceeds from issuance are distributed to us through wholly owned indirect subsidiaries of Synchrony. The balance of our outstanding asset-backed securities held by unrelated third parties was \$14.6 billion at March 31, 2014, \$15.4 billion at December 31, 2013 and \$17.2 billion at December 31, 2012. We currently have three securitization trusts, each of which has issued one or more series of asset-backed securities that remains outstanding: MNT, SFT and GMT. To the extent any of the receivables transferred to any of our securitizations were ineligible when transferred as determined in accordance with the eligibility criteria in the respective securitization program documents, the Bank or with respect to SFT, one of its subsidiaries, could be required to repurchase such ineligible receivable at the purchase price specified in the applicable securitization documents. We have not received any demands for the repurchase of any receivable underlying any of our securitizations in the past three years. For a discussion of our securitization activities, including contractual maturities and average excess spreads, see

Management's Discussion and Analysis of Financial Condition and Results of Operations *Liquidity and Capital Resources* *Funding Sources* *Securitized Financings* and Note 8. *Deposits and Borrowings* to our combined financial statements.

Future Securitization Offerings

We currently expect to maintain the aggregate outstanding (e.g., drawn) balance of SFT, MNT and GMT asset-backed securities near current levels over the next few years by extending series with private lenders prior to their maturities and/or issuing additional privately placed and, with respect to MNT publicly registered, asset-backed securities as existing series mature. In addition, we have secured commitments from private lenders to increase the amount of their asset-backed securities upon receipt of a draw request from us by an aggregate of approximately \$5.6 billion, which was accomplished through the issuance of new series of asset-backed securities and the amendment of certain existing series in MNT and SFT. The ability to draw on such commitments will be subject to the satisfaction of certain conditions, including the applicable securitization trust having sufficient collateral to support the asset-backed securities issuance and the absence of an early amortization event.

Securitization Trusts***GE Capital Credit Card Master Note Trust***

MNT was established in 2003 by RFS Holding, L.L.C, a subsidiary of RFS Holding, Inc., which is a wholly-owned subsidiary of Synchrony. At March 31, 2014, MNT held \$18.3 billion of Retail Card receivables originated by the Bank. At March 31, 2014, MNT had 19 series of asset-backed securities outstanding with an aggregate outstanding balance of \$12.3 billion. 12 MNT series were issued pursuant to public offerings and 7 were issued in private offerings to financial institutions and commercial paper conduits. Each of the outstanding publicly registered series of MNT asset-backed securities are rated by one or more of Moody's, S&P and/or Fitch. At March 31, 2014, there was no undrawn capacity with respect to any series (i.e., all series were currently drawn to their committed capacity).

GE Sales Finance Master Trust

SFT was established in 2012 by GE Sales Finance Holding, L.L.C., which is a wholly-owned indirect subsidiary of the Bank, to add securitization to the business's range of funding options for assets held on the

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Bank's consolidated balance sheet. At March 31, 2014, SFT held \$6.1 billion of Payment Solutions and CareCredit receivables originated by the Bank. At March 31, 2014, SFT had 4 series of asset-backed securities outstanding with an aggregate outstanding balance of \$2.0 billion. All of the series were issued pursuant to private offerings to financial institutions and commercial paper conduits. None of the outstanding series are rated by any rating agency engaged by us. At March 31, 2014, there was \$450 million of undrawn committed capacity under SFT.

GE Money Master Trust

GMT was established in 2007 and is a subsidiary of GEM Holding, L.L.C., which is a subsidiary of RFS Holding, Inc. (which is a wholly-owned subsidiary of Synchrony). At March 31, 2014, GMT held \$0.8 billion of Payment Solutions and CareCredit receivables originated by the Bank. At March 31, 2014, GMT had one series of asset-backed securities outstanding with an aggregate outstanding note balance of \$317 million. This series was issued in a private offering to a financial institution. At March 31, 2014, there was no undrawn capacity with respect to the sole series in GMT.

GECC as Servicer and Servicer Performance Guarantor

GECC currently acts as servicer with respect to MNT and its related series of asset-backed securities. If GECC defaults in its servicing obligations, an early amortization event could occur with respect to our MNT asset-backed securities and/or GECC could be replaced as servicer. Servicer defaults include, without limitation, the failure of the servicer to make any payment, transfer or deposit in accordance with the securitization documents, a material breach by the servicer of its representations, warranties or agreements made by the servicer under the securitization documents, the delegation by the servicer of its duties contrary to the securitization documents and the occurrence of certain insolvency events with respect to the servicer.

We currently perform substantially all of the servicing functions with respect to MNT pursuant to a sub-servicing arrangement with GECC. We expect that GECC will resign and assign its servicing obligations for MNT to us on or shortly after the Expected GECC Servicer Assignment Date. We and GE will cooperate to release GECC from its servicing obligations for MNT to the extent possible and we have agreed to use our commercially reasonable efforts to obtain the consent of the requisite noteholders of securities issued by MNT to expedite the transfer of servicing to us or one of our affiliates, with the expenses for such release to be allocated as agreed among the parties. Until GECC assigns its servicing obligations to us, our ability to service MNT's assets pursuant to the sub-servicing arrangement with GECC will be dependent on GECC not being terminated as servicer for a servicer default specified in the MNT program documents.

Historically, GECC has served as servicer performance guarantor for the Bank as servicer of SFT (the Bank, in such capacity, the SFT Servicer) and for the Bank as servicer of GMT (the Bank, in such capacity, the GMT Servicer). Pursuant to the servicer performance guaranties for SFT and GMT, GECC has guaranteed the performance and observance by the SFT Servicer and the GMT Servicer (for so long as the SFT Servicer or the GMT Servicer, as applicable, or any affiliate of GECC is the servicer under the securitization documents) of all of the terms, covenants, conditions, agreements and undertakings of the SFT Servicer or the GMT Servicer, as applicable under the program agreements. We have entered into amendments to the documents governing each SFT series and the sole GMT series pursuant to which the noteholders have released GECC from its obligations as servicer performance guarantor and waived the related amortization event that would otherwise occur when the servicer performance guaranty is no longer in effect.

Early Amortization Events

All of our securitized financings include early repayment triggers, referred to as early amortization events, including events related to material breaches of representations, warranties or covenants, inability or failure of the Bank to transfer loans to the trusts as required under the securitization documents, failure to make required

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payments or deposits pursuant to the securitization documents, and certain insolvency-related events with respect to the related securitization depositor, GECC (solely with respect to MNT) or the Bank. In addition, an early amortization event will occur with respect to a series if the excess spread as it relates to a particular series falls below zero. Excess spread is generally the amount by which income received by a trust during a collection period (including interest collections, fees and interchange proceeds) exceeds the fees and expenses of the trust during such collection period (including interest expense, servicing fees and charged-off receivables). An early amortization event would occur if excess spread falls below the specified minimum level because income on the trust's assets is too low and/or defaults and other expenses are too high. Following an early amortization event, principal collections on the loans in our trusts are applied to repay principal of the asset-backed securities rather than being available on a revolving basis to fund the origination activities of our business. The occurrence of an early amortization event also would limit or terminate our ability to issue future series out of the trust in which the early amortization event occurred. No early amortization event has occurred with respect to any of the securitized financings in MNT, SFT or GMT.

Existing Unsecured Credit Lines

On June 23, 2013, the Bank entered into a revolving credit agreement with Mizuho Corporate Bank, Ltd. (the Mizuho Credit Agreement), pursuant to which the Bank may borrow up to \$500 million (subject to satisfaction of customary borrowing conditions). Borrowings under the Mizuho Credit Agreement bear interest at a floating rate. The Mizuho Credit Agreement provides a 364-day revolving credit facility, which initially matured on June 22, 2014, but was extended by 364 days pursuant to its terms and is now subject to further extensions for 364-day periods upon the Bank's request and at Mizuho's sole discretion. The Mizuho Credit Agreement is unsecured and guaranteed by GECC and there were no borrowings outstanding under this agreement at March 31, 2014.

On February 26, 2013, the Bank entered into a revolving credit agreement with Sumitomo Mitsui Banking Corporation (the Sumitomo Credit Agreement), pursuant to which the Bank may borrow up to \$500 million (subject to satisfaction of customary borrowing conditions). Borrowings under the Sumitomo Credit Agreement bear interest at a floating rate. The Sumitomo Credit Agreement provides a 364-day revolving credit facility, which initially matured on February 25, 2014 but was extended by 364 days pursuant to its terms and is now subject to further extensions for 364-day periods upon the Bank's request and at Sumitomo's sole discretion. The Sumitomo Credit Agreement is unsecured and guaranteed by GECC and there were no borrowings outstanding under this agreement at March 31, 2014.

We currently anticipate that these agreements will be terminated following completion of the Transactions.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following discussion describes U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of ownership and disposition of the notes. This discussion is limited to Non-U.S. 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 may affect the tax consequences described herein. The description does not discuss all of the tax consequences that may be relevant to Non-U.S. 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 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 the Medicare tax on certain investment income, 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 acquiring, 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 Non-U.S. Holder is a beneficial owner of the notes that is not, for U.S. federal income tax purposes:

any 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,

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

any 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.

If you are an individual, you may, in certain cases, be deemed to be a resident alien, as opposed to a nonresident alien, 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 in the current 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 year, and one-sixth of the days present in the second preceding 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 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.

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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:

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 Internal Revenue Service (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 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 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, if you maintain a permanent establishment within the United States) and interest or gain on the notes is effectively connected with the conduct of such trade or business (and, if a tax treaty applies, 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) 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

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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 any IRS Form W-8 appropriate to the Non-U.S. Holder's circumstances will generally satisfy the certification requirements necessary to avoid the backup withholding tax as well.

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). This withholding tax may apply if a Non-U.S. Holder (or any foreign intermediary that receives a payment on a Non-U.S. Holder's behalf) does not comply with certain U.S. informational reporting requirements. The payments potentially subject to this withholding tax include interest on, and gross proceeds from the sale or other disposition of, the notes. If FATCA is not complied with, the withholding tax described above will apply to all interest and to gross proceeds from the sale or other disposition of the notes (including a redemption or retirement) on or after January 1, 2017. 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.

Table of Contents**UNDERWRITERS**

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Citigroup Global Markets Inc., Goldman, Sachs & Co. and J.P. Morgan Securities 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			
	2017 Notes	2019 Notes	2021 Notes	2024 Notes
Barclays Capital Inc.	\$	\$	\$	\$
Citigroup Global Markets Inc.				
Credit Suisse Securities (USA) LLC				
Deutsche Bank Securities Inc.				
Goldman, Sachs & Co.				
J.P. Morgan Securities LLC				
Merrill Lynch, Pierce, Fenner & Smith Incorporated				
Morgan Stanley & Co. LLC				
BNP Paribas Securities Corp.				
HSBC Securities (USA) Inc.				
Mitsubishi UFJ Securities (USA), Inc.				
Mizuho Securities USA Inc.				
RBC Capital Markets, LLC				
RBS Securities Inc.				
Santander Investment Securities Inc.				
SG Americas Securities, LLC				
SMBC Nikko Securities America, Inc.				
Banca IMI S.p.A.				
BBVA Securities Inc.				
Blaylock Beal Van, LLC				
CastleOak Securities, L.P.				
Commerz Markets LLC				
Credit Agricole Securities (USA) Inc.				
Fifth Third Securities, Inc.				
ING Financial Markets LLC				
Lebenthal & Co., LLC				
Loop Capital Markets LLC				
Mischler Financial Group, Inc.				
Samuel A. Ramirez & Company, Inc.				
The Williams Capital Group, L.P.				
Total	\$ 500,000,000	\$ 750,000,000	\$ 750,000,000	\$ 1,000,000,000

Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated 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 by this prospectus 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 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.

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The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the aggregate principal amount of the notes.

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 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 2017 notes, % of the principal amount of the 2019 notes, % of the principal amount of the 2021 notes and % of the principal amount of the 2024 notes. Any underwriter may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of the 2017 notes, % of the principal amount of the 2019 notes, % of the principal amount of the 2021 notes and % of the principal amount of the 2024 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 discounts and commissions 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 discounts and commissions will be the size of this offering, the nature of the security to be offered and the discounts and commissions charged in comparable transactions.

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

		Underwriting Discounts and Commissions
2017	Notes	
	Per 2017 Note	%
	Total	\$
2019	Notes	
	Per 2019 Note	%
	Total	\$
2021	Notes	
	Per 2021 Note	%
	Total	\$
2024	Notes	
	Per 2024 Note	%
	Total	\$

The estimated offering expenses are approximately \$1.6 million, 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 in electronic format may be made available on web sites 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.

Each series of notes constitutes a new issue of securities, for which there is no existing market. We do not intend to apply for listing of any series of the notes on any securities exchange or for quotation of any series of the notes in any

automated dealer quotation system. We cannot provide you with any assurance regarding whether a trading market for any series of notes will develop, the ability of holders of any series of 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 make a market in each series of the notes. However, the underwriters are not obligated to do so, and any market-making with respect to any series of notes may be discontinued at any time without notice. If no active trading market develops, you may be unable to resell your notes at any price or at their fair market value.

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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.

Banca IMI S.p.A. is not a registered broker-dealer, and it will not effect, induce or attempt to induce the purchase or sale of any notes in the United States unless it does so through one or more U.S.-registered broker-dealers or otherwise as permitted by applicable U.S. securities laws and rules.

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 in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this 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 comes are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), from and including the date on which the European Union Prospectus Directive (the EU Prospectus Directive) was implemented in that Relevant Member State (the Relevant Implementation Date) an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus may be made to the public in that Relevant Member State at any time:

to any legal entity which is a qualified investor as defined under the EU Prospectus Directive;

to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or

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in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an offer of securities to the public in relation to any securities 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 securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression EU Prospectus Directive means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Switzerland

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.

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

Each underwriter has represented and agreed that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) in relation to the notes has been or will be lodged with the Australian Securities & Investments Commission (ASIC). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons.

Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) a sophisticated investor under section 708(8)(a) or (b) of the Corporations Act;

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(ii) a sophisticated investor under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the company under section 708(12) of the Corporations Act; or

(iv) a professional investor within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the notes for resale in Australia within 12 months of the notes being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Brazil

The offer of securities described in this prospectus will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, and under CVM Rule (Instrução) No. 400, of December 29, 2003, as amended. The offer and sale of the securities have not been and will not be registered with the Comissão de Valores Mobiliários in Brazil. Any representation to the contrary is untruthful and unlawful. Any public offering or distribution, as defined under Brazilian laws and regulations, of the interests in Brazil is not legal without such prior registration. Documents relating to the offering of the securities, as well as information contained therein, may not be supplied to the public in Brazil, as the offering of the securities is not a public offering of securities in Brazil, nor may they be used in connection with any offer for sale of the securities to the public in Brazil. This prospectus is addressed to you personally, upon your request and for your sole benefit, and is not to be transmitted to anyone else, to be relied upon by anyone else or for any other purpose either quoted or referred to in any other public or private document or to be filed with anyone without our prior, express and written consent.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The notes to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Hong Kong

The notes may not be offered or sold by means of any document other than: (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose

of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

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Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

For institutional investors only. The notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea and none of the notes may be offered or sold, directly or indirectly, in Korea or to any resident of Korea, or to any persons for reoffering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transaction Law of Korea and rules and regulations promulgated thereunder), except as otherwise permitted under applicable laws and regulations.

Malaysia

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered with the Securities Commission of Malaysia, for the offering of the notes in Malaysia. This prospectus does not constitute and is not intended to constitute an invitation or offer for subscription or purchase of the notes, nor may this prospectus or any other offering material or document relating to the notes be published or distributed, directly or indirectly, to any person in Malaysia unless such invitation or offer falls within (a) Schedule 5 to the Capital Markets and Services Act 2007 (CMSA), (b) Schedule 6 or 7 to the CMSA as an excluded offer or excluded invitation or excluded issue within the meaning of section 229 and 230 of the CMSA and (c) Schedule 8 so the trust deed requirements in the CMSA are not applicable. No offer or invitation in respect of the notes may be made in Malaysia except as an offer or invitation falling under Schedule 5, 6 or 7 and 8 to the CMSA.

People s Republic of China

This prospectus may not be circulated or distributed in the People s Republic of China (PRC) and the notes may not be offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC or to persons for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws, rules and regulations of the PRC. For the purpose of this paragraph only, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Qatar

This prospectus has not been filed with or reviewed or approved by, the Qatar Central Bank, any other relevant Qatar governmental body or securities exchange, nor any foreign governmental body or securities exchange. This prospectus is being issued to a limited number of sophisticated investors and should not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar and should not be reproduced or used for any other purpose.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be

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offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, (b) where no consideration is given for the transfer or (c) by operation of law.

United Arab Emirates

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED ARAB EMIRATES (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE)

The notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (U.A.E.) other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific notice to prospective investors in the Dubai International Financial Centre set out above. The information contained in this prospectus does not constitute a public offer of notes in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority, or DFSA. If you do not understand the contents of this prospectus, you should consult an authorized financial adviser. This prospectus is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

Relationships with Underwriters

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and our affiliates, including GE and GECC, for which they received or will receive customary fees and expenses.

Certain of the underwriters in this offering and/or their respective affiliates are also lenders and, in some cases, agents or managers for the lenders under the New Bank Term Loan. All of the joint book-running managers of this offering were also joint book-running managers of the IPO and certain of the other underwriters in this offering also participated in the IPO which closed on August , 2014. In addition, certain underwriters and/or their respective affiliates have received, and may in the future receive, customary fees and reimbursement of expenses as underwriters of securities offered by certain of our securitization trusts from time to time. Certain underwriters and/or their respective affiliates are also lenders to certain of our securitization trusts.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for

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their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) of ours and/or our affiliates, including GE and GECC. If any of the underwriters or their affiliates has a lending relationship with us or our affiliates, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us or our affiliates consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

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LEGAL MATTERS

The validity of the notes offered hereby will be passed upon for us by Weil, Gotshal & Manges LLP, New York, New York. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The combined financial statements for Synchrony Financial and combined affiliates at December 31, 2013 and 2012, and for each of the years in the three-year period ended December 31, 2013, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to the notes offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits that are part of the registration statement. For further information with respect to us and the notes, reference is made to the registration statement and exhibits thereto. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Our SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

We are subject to the information and periodic reporting requirements of the Exchange Act and file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available for inspection and copying at the SEC's public reference rooms and the website of the SEC referred to above.

Neither we nor any of the underwriters has authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we may have referred you in connection with this offering. We and the underwriters take no responsibility for, and can 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 seeking offers to buy these securities in any jurisdiction where or to any person to whom the offer or sale is not permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus and the information in any free writing prospectus that we may provide you in connection with this offering is accurate only as of the date of that free writing prospectus. Our business, financial condition, results of operations and future growth prospects may have changed since those dates.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of

Synchrony Financial:

We have audited the accompanying Combined Statements of Financial Position of Synchrony Financial and combined affiliates (Synchrony) as of December 31, 2013 and 2012, and the related Combined Statements of Earnings, Comprehensive Income, Changes in Equity, and Cash Flows for each of the years in the three-year period ended December 31, 2013. These combined financial statements are the responsibility of Synchrony s management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Synchrony as of December 31, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Stamford, Connecticut

March 12, 2014

Table of Contents**Synchrony Financial and combined affiliates****Combined Statements of Earnings**

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Interest income:			
Interest and fees on loans (Note 5)	\$ 11,295	\$ 10,300	\$ 9,134
Interest on investment securities	18	9	7
Total interest income	11,313	10,309	9,141
Interest expense:			
Interest on deposits	374	362	351
Interest on borrowings of consolidated securitization entities	211	228	248
Interest on related party debt (Note 14)	157	155	333
Total interest expense	742	745	932
Net interest income	10,571	9,564	8,209
Retailer share arrangements	(2,373)	(1,984)	(1,428)
Net interest income, after retailer share arrangements	8,198	7,580	6,781
Provision for loan losses (Note 5)	3,072	2,565	2,258
Net interest income, after retailer share arrangements and provision for loan losses	5,126	5,015	4,523
Other income:			
Interchange revenue	324	287	235
Debt cancellation fees	324	309	319
Loyalty programs	(213)	(199)	(198)
Other	65	87	141
Total other income	500	484	497
Other expense:			
Employee costs	698	620	596
Professional fees	486	451	432
Marketing and business development	269	208	221
Information processing	193	165	157
Other	838	679	604
Total other expense	2,484	2,123	2,010
Earnings before provision for income taxes	3,142	3,376	3,010
Provision for income taxes (Note 13)	(1,163)	(1,257)	(1,120)

Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
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See accompanying notes.

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Table of Contents**Synchrony Financial and combined affiliates****Combined Statements of Comprehensive Income**

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
Other comprehensive income (loss)			
Investment securities	(10)	2	3
Currency translation adjustments	(4)	2	35
Other	(1)		1
Other comprehensive income (loss)	(15)	4	39
Comprehensive income	\$ 1,964	\$ 2,123	\$ 1,929

Amounts presented net of taxes.

See accompanying notes.

Table of Contents**Synchrony Financial and combined affiliates****Combined Statements of Financial Position**

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets		
Cash and equivalents	\$ 2,319	\$ 1,334
Investment securities (Note 4)	236	193
Loan receivables: (Notes 5 and 6)		
Unsecuritized loans held for investment	31,183	26,938
Restricted loans of consolidated securitization entities	26,071	25,375
Total loan receivables	57,254	52,313
Less: Allowance for loan losses	(2,892)	(2,274)
Loan receivables, net	54,362	50,039
Goodwill (Note 7)	949	936
Intangible assets, net (Note 7)	300	255
Other assets ^(a)	919	705
Total assets	\$ 59,085	\$ 53,462
Liabilities and Equity		
Deposits: (Note 8)		
Interest bearing deposit accounts	\$ 25,360	\$ 18,398
Non-interest bearing deposit accounts	359	406
Total deposits	25,719	18,804
Borrowings: (Notes 6 and 8)		
Borrowings of consolidated securitization entities	15,362	17,208
Related party debt (Note 14)	8,959	10,607
Total borrowings	24,321	27,815
Accrued expenses and other liabilities	3,085	2,261
Total liabilities	\$ 53,125	\$ 48,880
Equity:		
Parent's net investment	\$ 5,973	\$ 4,580
Accumulated other comprehensive income:		
Investment securities	(9)	1
Currency translation adjustments	(3)	1
Other	(1)	
Total equity	5,960	4,582

Total liabilities and equity	\$ 59,085	\$ 53,462
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(a) Other assets include restricted cash of \$76 million and \$56 million at December 31, 2013 and 2012, respectively. See accompanying notes.

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Table of Contents**Synchrony Financial and combined affiliates****Combined Statements of Changes in Equity**

<i>(\$ in millions)</i>	2013	2012	2011
Beginning balance at January 1	\$ 4,582	\$ 4,328	\$ 4,306
Increases from net earnings	1,979	2,119	1,890
Change in Parent's net investment	(586)	(1,869)	(1,907)
Other comprehensive income (loss)	(15)	4	39
Total equity balance at December 31	\$ 5,960	\$ 4,582	\$ 4,328

See accompanying notes.

Table of Contents**Synchrony Financial and combined affiliates****Combined Statements of Cash Flows**

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Cash flows operating activities			
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
Adjustments to reconcile net earnings to cash provided from operating activities			
Provision for loan losses	3,072	2,565	2,258
Deferred income taxes	(237)	(18)	128
Depreciation and amortization	104	83	96
Increase in interest and fee receivable	(152)	(541)	(392)
Decrease in other assets	40	1,180	1,045
Increase in accrued expenses and other liabilities	810	189	561
All other operating activities	63	60	(70)
Cash from operating activities	5,679	5,637	5,516
Cash flows investing activities			
Maturity and redemption of investment securities	40	40	17
Purchases of investment securities	(100)	(31)	(94)
Acquisitions of loan receivables	(206)	(815)	(822)
Net cash from principal business purchased (Note 3)	6,393		
Net (increase) decrease in restricted cash	(20)	(17)	48
Net increase in loans held for investment	(7,355)	(5,902)	(5,666)
Proceeds from sale of loan receivables	289	379	1,810
Proceeds from sale of business			1,378
Proceeds from sale of discontinued business			1,775
All other investing activities	(107)	(106)	(16)
Cash used for investing activities	(1,066)	(6,452)	(1,570)
Cash flows financing activities			
Increase in borrowings of consolidated securitization entities			
Proceeds from issuance of securitized debt	866	7,799	3,958
Maturities and repayment of securitized debt	(2,708)	(4,775)	(2,599)
Net decrease in related party debt	(1,649)	(1,099)	(6,405)
Net increase in deposits	481	972	4,034
Net transfers to Parent	(586)	(1,869)	(1,907)
All other financing activities	(32)	(66)	(59)
Cash (used for) from financing activities	(3,628)	962	(2,978)
Increase in cash and equivalents	985	147	968

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Cash and equivalents at beginning of year	1,334	1,187	219
Cash and equivalents at end of year	\$ 2,319	\$ 1,334	\$ 1,187

Supplemental disclosure of cash flow information

Cash paid during the year for interest ^(a)	\$ (729)	\$ (736)	\$ (930)
Cash paid during the year for income taxes	(1,183)	(228)	(101)

(a) Assumes all interest expense accrued on related party debt was paid during the year.
See accompanying notes.

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Table of Contents**Synchrony Financial and combined affiliates****Notes to Combined Financial Statements****NOTE 1. FORMATION OF THE COMPANY**

Synchrony Financial (the Company) provides a range of credit products through programs it has established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers. The Company is a holding company for the legal entities that historically conducted General Electric Company's (GE) North American retail finance business. The Company 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, substantially all of the assets and operations of GE's North American retail finance business, including GE Capital Retail Bank (the Bank), were transferred to the Company. The remaining assets and operations of that business have been or will be transferred to the Company prior to the completion of the Company's proposed initial public offering of its common stock (the IPO).

On April 1, 2013, the Company became the new parent holding company of the Bank as a result of a contribution of the Bank's shares by its immediate parent company, GE Consumer Finance, Inc. (GECFI). Between April 1, 2013 and October 15, 2013, (i) GECFI contributed the stock of RFS Holding, Inc., GEC RF Global Services Philippines, Inc. and Retail Finance International Holdings, Inc. to the Company, (ii) the Company formed Retail Finance Credit Services LLC and Retail Finance Servicing LLC and (iii) the Company and its subsidiaries acquired from affiliates of GE their interests in CareCredit LLC, GE Global Servicing Private Limited, as well as certain receivables and other tangible and intangible assets related to the North American retail finance business. Our financial statements combine all of the Company's subsidiaries and certain accounts of other GECC subsidiaries that were historically managed as part of the Company's business.

The Company was originally incorporated under the name GESF-E Inc., and has changed its name several times, most recently in March 2014 to Synchrony Financial. References to the Company, we, us and our are to Synchrony Financial and its combined subsidiaries unless the context otherwise requires.

The Company currently is wholly-owned by GECFI, which is wholly-owned by General Electric Capital Corporation (GECC), and all of the common stock of GECC in turn is owned by GE.

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Accounting Principles

The accompanying combined financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP).

Basis of Presentation

The accompanying combined financial statements were prepared in connection with the proposed IPO. These financial statements present the combined results of operations, financial condition and cash flows of the Company, which is under the control of GECC. The Combined Statements of Earnings reflect intercompany expense allocations made to us by GE and GECC for certain corporate functions and for shared services historically provided by GE and

GECC. Where possible, these allocations were made on a specific identification basis, and in other cases these expenses were allocated by GE and GECC based on relative percentages of net operating costs or some other basis depending on the nature of the allocated cost. See Note 14. *Related Party Transactions and Parent's Net Investment* for further information on expenses allocated by GE and GECC.

The historical financial results in the combined financial statements presented may not be indicative of the results that would have been achieved had we operated as a separate, stand-alone entity during those periods. The

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combined financial statements presented do not reflect any changes that may occur in our financing and operations in connection with or as a result of the IPO. Management has not provided an estimate of the costs that would have been incurred had the Company been independent of GE and GECC because it is impracticable to do so. We believe that the combined financial statements include all adjustments necessary for a fair presentation of the business. Unless otherwise indicated, information in these combined financial statements relates to continuing operations.

We conduct our operations within the United States and Canada. Substantially all of our revenues are from U.S. customers. The operating activities conducted by our non-U.S. affiliates use the local currency as their functional currency. The effects of translating the financial statements of these non-U.S. affiliates to U.S. dollars are included in equity. Asset and liability accounts are translated at year-end exchange rates, while revenues and expenses are translated at average rates for the respective periods.

Preparing financial statements in conformity with U.S. GAAP requires us to make estimates based on assumptions about current, and for some estimates future, economic and market conditions (for example, unemployment, housing, interest rates and market liquidity) which affect reported amounts and related disclosures in our combined financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, as appropriate, it is reasonably possible that actual conditions could be different than anticipated in those estimates, which could materially affect our results of operations and financial position. Among other effects, such changes could result in future impairments of investment securities, goodwill, intangible assets and long-lived assets, incremental losses on loan receivables, increases in reserves for contingencies, establishment of valuation allowances on deferred tax assets and increased tax liabilities.

Combined Financial Statements

Our financial statements combine all of our subsidiaries (i.e., entities in which we have a controlling financial interest (typically because we hold a majority voting interest)) and certain accounts of GECC and its subsidiaries that were historically managed as part of our business.

To determine if we hold a controlling financial interest in an entity, we first evaluate if we are required to apply the variable interest entity (VIE) model to the entity, otherwise the entity is evaluated under the voting interest model. Where we hold current or potential rights that give us the power to direct the activities of a VIE that most significantly impact the VIE 's economic performance (power) combined with a variable interest that gives us the right to receive potentially significant benefits or the obligation to absorb potentially significant losses (significant economics), we have a controlling financial interest in that VIE. Rights held by others to remove the party with power over the VIE are not considered unless one party can exercise those rights unilaterally. We consolidate certain securitization entities under the VIE model because we have both power and significant economics. See Note 6. *Variable Interest Entities*.

Segment Reporting

We conduct our operations through a single business segment. Pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280, *Segment Reporting*, operating segments represent components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in determining how to allocate resources and in assessing performance. The chief operating decision maker uses a variety of measures to assess the performance of the business as a whole, depending on the nature of the activity. Revenue activities are managed through three sales platforms (Retail Card, Payment Solutions and CareCredit). Those platforms are organized by the types of partners we work with to reach our customers, with success principally measured based on revenues, new accounts and other cardholder sales metrics. Detailed profitability information of the nature that could be used to allocate resources and assess the performance and

operations for each sales platform individually, however, is not used by our chief operating decision maker. Expense activities, including funding costs, loan losses and operating expenses, are not measured for each platform but instead are managed for the Company as a whole.

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Cash and Equivalents

Debt securities, money market instruments and bank deposits with original maturities of three months or less are included in cash equivalents unless designated as available-for-sale and classified as investment securities.

Restricted Cash

Restricted cash represents cash and equivalents that are not available to us due to restrictions related to its use. The Bank is required to maintain reserves against its deposit liabilities in the form of vault cash and/or balances with the Federal Reserve Bank. In addition, under certain circumstances, our securitization entities are required to fund segregated accounts that may only be used for certain purposes, including repayment of maturing debt. We include our restricted cash in other assets in our Combined Statements of Financial Position.

Investment Securities

We report investments in debt and marketable equity securities at fair value. See Note 9. *Fair Value Measurements* for further information on fair value. Unrealized gains and losses on these investment securities, which are classified as available-for-sale, are included in equity, net of applicable taxes. We regularly review investment securities for impairment using both quantitative and qualitative criteria.

For debt securities, if we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate other qualitative criteria to determine whether we do not expect to recover the amortized cost basis of the security, such as the financial health of and specific prospects for the issuer, including whether the issuer is in compliance with the terms and covenants of the security. We also evaluate quantitative criteria including determining whether there has been an adverse change in expected future cash flows. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to be other-than-temporarily impaired, and we record the difference between the security's amortized cost basis and its recoverable amount in earnings and the difference between the security's recoverable amount and fair value in other comprehensive income. If we intend to sell the security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, the security is also considered other-than-temporarily impaired and we recognize the entire difference between the security's amortized cost basis and its fair value in earnings. For equity securities, we consider the length of time and magnitude of the amount that each security is in an unrealized loss position. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to be other-than-temporarily impaired, and we record the difference between the security's amortized cost basis and its fair value in earnings.

Realized gains and losses are accounted for on the specific identification method.

Loan Receivables

Loan receivables primarily consist of open-end consumer revolving credit card accounts, closed-end consumer installment loans, and open-end commercial revolving credit card accounts. Loan receivables are reported at the amounts due from customers, including unpaid interest and fees.

Allowance for Loan Losses

Losses on loan receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. The method for calculating the best estimate of probable losses takes into

account our historical experience adjusted for current conditions with each product and customer type and our judgment concerning the probable effects of relevant observable data, trends and market factors.

We evaluate each portfolio for impairment quarterly. For credit card receivables, our estimation process includes analysis of historical data, and there is a significant amount of judgment applied in selecting inputs and analyzing

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the results produced by the models to determine the allowance. We use a migration analysis to estimate the likelihood that a loan will progress through the various stages of delinquency. The migration analysis considers uncollectible principal, interest and fees reflected in the loan receivables. We use other analyses to estimate losses incurred on non-delinquent accounts. The considerations in these analyses include past performance, risk management techniques applied to various accounts, historical behavior of different account vintages, current economic conditions, recent trends in delinquencies, bankruptcy filings, account collection management, policy changes, account seasoning, loan volume and amounts, payment rates, forecasting uncertainties, and a qualitative assessment of the adequacy of the allowance for losses, which compares this allowance for losses to projected net charge-offs over the next twelve months, in a manner consistent with regulatory guidance. We regularly review our collection experience (including delinquencies and net charge-offs) in determining our allowance for loan losses. We also consider our historical loss experience to date based on actual defaulted loans and overall portfolio indicators including delinquent and non-accrual loans, trends in loan volume and lending terms, credit policies and other observable environmental factors such as unemployment and home price indices.

The underlying assumptions, estimates and assessments we use to provide for losses are updated periodically to reflect our view of current conditions and are subject to the regulatory examination process, which can result in changes to our assumptions. Changes in such estimates can significantly affect the allowance and provision for losses. It is possible that we will experience credit losses that are different from our current estimates. Charge-offs are deducted from the allowance for losses when we judge the principal to be uncollectible and subsequent recoveries are added to the allowance at the time cash is received on a charged-off account.

Delinquent receivables are those that are 30 days or more past due based on their contractual payments. Non-accrual loan receivables are those on which we have stopped accruing interest. We continue to accrue interest until the earlier of the time at which collection of an account becomes doubtful or the account becomes 180 days past due, with the exception of non-credit card accounts, for which we stop accruing interest in the period that the account becomes 90 days past due.

Beginning in the fourth quarter of 2013, we revised our methods of classifying loan receivables as non-accrual to more closely align with regulatory guidance. As a result we continue to accrue interest on credit card balances until they reach 180 days past due. Previously, we stopped accruing interest on credit cards when the accounts became 90 days past due. As a result of this revision, credit card receivables of \$949 million that were previously classified as non-accrual were returned to accrual status in the fourth quarter of 2013. This revision did not have a material effect on earnings for the year ended December 31, 2013.

Impaired loans represent restructured loans for which it is probable that we will be unable to collect all amounts due according to the original contractual terms of the loan agreement and meeting the definition of a troubled debt restructuring (TDR). TDRs are those loans for which we have granted a concession to a borrower experiencing financial difficulties where we do not receive adequate compensation.

The same loan receivable may meet more than one of the definitions above. Accordingly, these categories are not mutually exclusive and it is possible for a particular loan to meet the definitions of a TDR, impaired loan and non-accrual loan and be included in each of these categories. The categorization of a particular loan also may not be indicative of the potential for loss.

Loan Modifications and Restructurings

Our loss mitigation strategy is intended to minimize economic loss and, at times, can result in rate reductions, principal forgiveness, extensions or other actions, which may cause the related loan to be classified as a TDR and also

as impaired. We utilize short-term (3 to 12 months) or long term (12 to 60 months) modification programs to borrowers experiencing financial difficulty as a loss mitigation strategy to improve long-term collectability of the loans that are classified as TDRs. For our credit card customers, the short term program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no longer than 12 months. The long term program involves changing the structure of the loan to a fixed payment loan with a maturity no longer

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than 60 months and reducing the interest rate on the loan. The long term program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for customers who request financial assistance through external sources, such as a consumer credit counseling agency program. The loans that are modified typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The determination of whether these changes to the terms and conditions meet the TDR criteria includes our consideration of all relevant facts and circumstances. See Note 5. *Loan Receivables and Allowance for Loan Losses* for additional information on our loan modifications and restructurings.

Our allowance for loan losses on TDRs is generally measured based on the difference between the recorded loan receivable and the present value of the expected future cash flows, discounted at the original effective interest rate of the loan. If the loan is collateral dependent, we measure impairment based upon the fair value of the underlying collateral less estimated selling costs.

Data related to redefault experience is also considered in our overall reserve adequacy review. Once the loan has been modified, it returns to current status (re-aged) only after three consecutive minimum monthly payments are received post modification date, subject to a re-aging limitation of once a year, or twice in a five-year period in accordance with the Federal Financial Institutions Examination Council (FFIEC) guidelines on Uniform Retail Credit Classification and Account Management policy issued in June 2000. We believe that the allowance for loan losses would not be materially different had we not re-aged these accounts.

Charge-Offs

Net charge-offs consist of the unpaid principal balance of loans held for investment that we determine are uncollectible, net of recovered amounts. We exclude accrued and unpaid finance charges, fees and third party fraud losses from charge-offs. Charged-off and recovered accrued and unpaid finance charges and fees are included in interest and fees on loans while fraud losses are included in other expense. Charge-offs are recorded as a reduction to the allowance for loan losses and subsequent recoveries of previously charged-off amounts are credited to the allowance for loan losses. Costs incurred to recover charged-off loans are recorded as collection expense and are included in other expense in our Combined Statements of Earnings.

We charge-off unsecured closed-end consumer installment loans and loans secured by collateral when they are 120 days contractually past due and unsecured open-ended revolving loans at 180 days contractually past due. Unsecured consumer loans in bankruptcy are charged-off within 60 days of notification of filing by the bankruptcy court or within contractual charge-off periods, whichever occurs earlier. Credit card loans of deceased account holders are charged-off within 60 days of receipt of notification.

Goodwill and Intangible Assets

We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is defined under GAAP as the operating segment, or one level below that operating segment (the component level) if discrete financial information is prepared and regularly reviewed by segment management. Our operating segment comprises a single reporting unit, based on the level at which segment management regularly reviews and measures the business operating results.

Goodwill impairment risk is first assessed under FASB Accounting Standards Update (ASU) No. 2011-08, *Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment* by performing a qualitative review of entity-specific, industry, market and general economic factors for our reporting unit. If potential goodwill impairment

risk exists that indicates that it is more likely than not that the carrying value of our reporting unit exceeds its fair value, we apply a two-step quantitative test. The first step compares the reporting unit's estimated fair value with its carrying value. If the carrying value of our reporting unit's net assets exceeds its fair value, the second step is applied to measure the difference between the carrying value and implied fair value of goodwill. If the carrying value of goodwill exceeds its implied fair value, the goodwill is considered

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impaired and reduced to its implied fair value. The qualitative assessment for each period presented in the combined financial statements was performed without hindsight, assuming only factors and market conditions existing as of those dates, and resulted in no potential goodwill impairment risk for our reporting unit. Consequently, goodwill was not deemed to be impaired for any of the periods presented.

Definite-lived intangible assets principally consist of customer-related assets including contract acquisitions and purchased credit card relationships. These assets are amortized over their estimated useful lives and evaluated for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The evaluation compares the cash inflows expected to be generated from each intangible asset to its carrying value. If cash flows attributable to the intangible asset are less than the carrying value, the asset is considered impaired and written down to its estimated fair value. No impairments of definite-lived intangible assets have been recognized in the periods presented in the combined financial statements.

Revenue Recognition*Interest and Fees on Loans*

We use the effective interest method to recognize income on loans. Interest on loans is comprised largely of interest and late fees on credit card and other loans. Interest income is recognized based upon the amount of loans outstanding and their contractual interest rate. Late fees are recognized when billable to the customer. We continue to accrue interest and fees on credit cards until the accounts are charged-off in the period the account becomes 180 days past due. For non-credit card loans, we stop accruing interest and fees when the account becomes 90 days past due. Previously recognized interest income that was accrued but not collected from the customer is reversed. Although we stop accruing interest in advance of payments, we recognize interest income as cash is collected when appropriate, provided the amount does not exceed that which would have been earned at the historical effective interest rate; otherwise, payments received are applied to reduce the principal balance of the loan.

We resume accruing interest on non-credit card loans when the customer's account is less than 90 days past due and collection of such amounts is probable. Interest accruals on modified loans that are not considered to be TDRs may return to current status (re-aged) only after receipt of at least three consecutive minimum monthly payments subject to a re-aging limitation of once a year, or twice in a five-year period.

Direct loan origination costs on credit card loans are deferred and amortized on a straight-line basis over a one-year period, or the life of the loan for other loan receivables, and are included in interest and fees on loans in our Combined Statements of Earnings. See Note 5. *Loan Receivables and Allowance for Loan Losses* for further detail.

Other loan fees including returned check, cash advance and other miscellaneous fees are recognized net of waivers and charge-offs when the related transaction or service is provided, and are included in other income in our Combined Statements of Earnings.

Promotional Financing

Loans originated with promotional financing may include deferred interest (interest accrues during a promotional period and becomes payable if the full purchase amount is not paid off during the promotional period), no interest (no interest accrues during a promotional period but begins to accrue thereafter on any outstanding amounts at the end of the promotional period) and reduced interest (interest accrues monthly at a promotional interest rate during the promotional period). For deferred interest financing, we bill interest to the borrower, retroactive to the inception of the loan, if the loan is not repaid prior to the specified date. Income is recognized on such loans when it is billable. In

almost all cases, our retail partner will pay an upfront fee or reimburse us to compensate us for all or part of the costs associated with providing the promotional financing. Upfront fees are deferred and accreted to income over the promotional period. Reimbursements are estimated and accrued as income over the promotional period.

Table of Contents*Purchased Loans*

Loans acquired by purchase are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the acquired loans. As a result, the allowance for losses is not carried over at acquisition. For loans acquired with evidence of credit deterioration, the excess of cash flows expected at acquisition over the initial acquisition cost is recognized into interest income over their remaining lives using the effective interest method. Subsequent decreases to the expected cash flows for these loans require us to evaluate the need for an allowance for credit losses. Subsequent improvements in expected cash flows are recognized into interest income prospectively. For other acquired loans, the excess of contractually required cash flows over the initial acquisition cost is recognized into interest income over the remaining lives using the effective interest method. Subsequent increases in incurred losses for these loans require us to evaluate the need for an allowance for credit losses. Our evaluation of the amount of future cash flows expected to be collected is performed in a similar manner as that used to determine our allowance for loan losses.

Retailer Share Arrangements

Most of our Retail Card program agreements and certain other program agreements contain retailer share arrangements that provide for payments to our partners if the economic performance of the program exceeds a contractually defined threshold. Although the share arrangements vary by partner, these arrangements are generally structured to measure the economic performance of the program, based typically on agreed upon program revenues (including interest income and certain other income) less agreed upon program expenses (including interest expense, provision for credit losses, retailer payments and operating expenses), and share portions of this amount above a negotiated threshold. These thresholds and the economic performance of a program are based on, among other things, agreed upon measures of program expenses. On a quarterly basis, we make a judgment as to whether it is probable that the performance threshold will be met under a particular retail partner's retailer share arrangement. The current period's estimated contribution to that ultimate expected payment is recorded as a liability. To the extent facts and circumstances change and the cumulative probable payment for prior months has changed, a cumulative adjustment is made to align the retailer share arrangement liability balance with the amount considered probable of being paid relating to past periods.

Loyalty Programs

Our loyalty programs are designed to generate increased purchase volume per customer while reinforcing the value of our credit cards and strengthening cardholder loyalty. These programs typically provide cardholders with rewards in the form of merchandise discounts that are earned by achieving a pre-set spending level on their private label or Dual Card. Other programs provide cash back or reward points, which are redeemable for a variety of products or awards. These programs are primarily in our Retail Card platform. We establish a rewards liability based on points and merchandise discounts earned that are ultimately expected to be redeemed and the average cost per point redemption. The rewards liability is included in accrued expenses and other liabilities in our Combined Statements of Financial Position. Cash rebates are earned based on a tiered percentage of purchase volume. As points and discounts are redeemed or cash rebates are issued, the rewards liability is relieved. The estimated cost of loyalty programs is classified as a reduction to other income in our Combined Statements of Earnings.

Fraud Losses

We experience third party fraud losses from the unauthorized use of credit cards and when loans are obtained through fraudulent means. Transactions suspected of third party fraud are included as a charge within other expense in our Combined Statements of Earnings, after the investigation period has completed, net of recoveries.

Income Taxes

We are included in the consolidated U.S. federal and state income tax returns of GE, where applicable, but also file certain separate state and foreign income tax returns. The tax provision and current and deferred tax balances

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have been presented on a separate company basis as if we were a separate filer. The effects of tax adjustments and settlements from taxing authorities are presented in our financial statements in the period to which they relate as if we were a separate filer. Our current obligations for taxes are settled with our parent on an estimated basis and adjusted in later periods as appropriate and are reflected in our financial statements in the periods in which those settlements occur. We recognize the current and deferred tax consequences of all transactions that have been recognized in the financial statements using the provisions of the enacted tax laws. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse. We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. See Note 13. *Income Taxes* for additional detail.

Fair Value Measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Significant inputs to the valuation model are unobservable.

We maintain policies and procedures to value instruments using the best and most relevant data available. In addition, we have risk management teams that review valuation, including independent price validation for certain instruments. We use non-binding broker quotes and other third-party pricing services as our primary basis for valuation when there is limited or no relevant market activity for a specific instrument or for other instruments that share similar characteristics. We have not adjusted prices we have obtained.

As is the case with our primary pricing vendor, third party brokers and other third party pricing services do not provide us access to their proprietary valuation models, inputs and assumptions. Accordingly, our risk management personnel conduct reviews of these brokers and services, as applicable, similar to the reviews performed of our primary pricing vendor. In addition, we conduct internal reviews of pricing for all investment securities on a quarterly basis to ensure reasonableness of valuations used in the combined financial statements. These reviews are designed to identify prices that appear stale, those that have changed significantly from prior valuations, and other anomalies that may indicate that a price may not be accurate. Based on the information available, we believe that the fair values provided by the primary pricing vendor, third party brokers and other third-party pricing services are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy.

Recurring Fair Value Measurements

Our investments in debt and equity securities are measured at fair value every reporting period on a recurring basis.

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Non-Recurring Fair Value Measurements

Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an on-going basis but are subject to fair value adjustments only in certain circumstances. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs.

Repossessed assets and cost method investments are currently the only significant categories of assets which are accounted for at fair value on a non-recurring basis.

Financial Instruments Carried at Other than Fair Value

The following paragraph describes the valuation methodologies we use to measure our financial instruments carried at other than fair value.

When available, we use observable market data, including pricing on recent closed market transactions, to value loan receivables that are included in Level 2. When this data is unobservable, we use valuation methodologies using current market interest rate data adjusted for inherent credit risk, and such loan receivables are included in Level 3. When appropriate, loan receivables may be valued using collateral values.

Accounting Changes

On January 1, 2012, we adopted FASB ASU 2011-05, an amendment to ASC 220, *Comprehensive Income*. This ASU introduced a new statement, the Consolidated Statement of Comprehensive Income. The amendments affect only the display of those components of equity categorized as other comprehensive income and do not change existing recognition and measurement requirements that determine net earnings.

On January 1, 2012, we adopted FASB ASU 2011-04, an amendment to ASC 820, *Fair Value Measurements*. This ASU clarifies or changes the application of existing fair value measurements, including: (i) that the highest and best use valuation premise in a fair value measurement is relevant only when measuring the fair value of nonfinancial assets, (ii) that a reporting entity should measure the fair value of its own equity instrument from the perspective of a market participant that holds that instrument as an asset, (iii) to permit an entity to measure the fair value of certain financial instruments on a net basis rather than based on its gross exposure when the reporting entity manages its financial instruments on the basis of such net exposure, (iv) that in the absence of a Level 1 input, a reporting entity should apply premiums and discounts when market participants would do so when pricing the asset or liability consistent with the unit of account and (v) that premiums and discounts related to size as a characteristic of the reporting entity's holding are not permitted in a fair value measurement. Adopting these amendments had no effect on our combined financial statements.

On July 1, 2011, we adopted FASB ASU 2011-02, an amendment to ASC 310, *Receivables*. This ASU provides guidance for determining whether the restructuring of a debt constitutes a TDR and requires that such actions be classified as a TDR when there is both a concession and the debtor is experiencing financial difficulties. The amendment also clarifies guidance on a creditor's evaluation of whether it has granted a concession. The amendment applies to restructurings that have occurred subsequent to January 1, 2011. As a result of adopting these amendments on July 1, 2011, we have classified an additional \$218 million of financing receivables as TDRs and have recorded an increase of \$71 million to our allowance for losses on financing receivables. See Note 5. *Loan Receivables and Allowance for Loan Losses*.

NOTE 3. ACQUISITIONS AND DISPOSITIONS

Acquisitions

Effective January 11, 2013, we acquired the deposit business of MetLife Bank, N.A. in a transaction that was accounted for using the acquisition method of accounting. In exchange for assuming \$6,441 million of deposit

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liabilities we received assets that included \$6,393 million of cash, \$19 million of core deposit intangibles, \$8 million of other intangibles and \$8 million of deferred tax assets. The \$13 million excess of the fair value of the consideration conveyed to the seller over the fair value of the net assets acquired was recognized as goodwill. See Note 7. *Goodwill and Other Intangible Assets* for further detail pertaining to goodwill associated with this transaction. During 2013, we recognized interest expense on deposits and operating costs related to the acquired deposit taking operations of \$66 million and \$60 million, respectively. Comparable pro forma interest expense and operating costs prepared as if the acquisition occurred at the beginning of 2012 was deemed impracticable to produce because estimating such amounts would entail significant assumptions about management's intent during 2012 which cannot be independently substantiated, including assumptions of how our funding strategy would have incorporated the alternative sources of funding from the acquired deposit business and the associated costs of that strategy.

When we establish new relationships with retail partners we may also acquire the customer accounts for that partner's existing credit card financing programs. During the three years ended December 31, 2013, transactions where we have acquired significant receivable balances include: Phillips 66 (\$206 million, effective June 28, 2013), Toys 'R Us, Inc. (\$815 million, effective June 21, 2012), The TJX Companies, Inc. (\$328 million, effective June 15, 2011) and Ashley HomeStores, Ltd. (\$494 million, effective January 11, 2011).

Dispositions

In January 2011, we completed the sale of a credit card portfolio and certain related business operations and recorded a pre-tax gain of \$30 million. Cash proceeds of \$1,378 million were received in 2011 and are presented in our Combined Statements of Cash Flows as proceeds from the sale of business.

In January 2011, we completed the sale of the net assets of a recreational vehicle lending operation that had been discontinued in 2010. Cash proceeds of \$1,775 million were received in 2011 and therefore have been presented in our Combined Statements of Cash Flows as proceeds from sale of discontinued business. The sale had no effect on 2011 earnings as the net assets of the business were previously written down to the amount of the expected sale proceeds.

NOTE 4. INVESTMENT SECURITIES

All of our investment securities are classified as available-for-sale and are primarily held to comply with the Community Reinvestment Act (CRA). Our investment securities consist of the following:

At December 31 (\$ in millions)	2013			2012				
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Debt								
State and municipal	\$ 53	\$	\$ (7)	\$ 46	\$ 42	\$ 1	\$ (4)	\$ 39
Residential mortgage-backed ^(a)	183	1	(9)	175	144	5		149
Equity	15			15	5			5
Total	\$ 251	\$ 1	\$ (16)	\$ 236	\$ 191	\$ 6	\$ (4)	\$ 193

- (a) At December 31, 2013 and 2012 all of our residential mortgage-backed securities relate to securities issued by government-sponsored entities and are pledged by the Bank as collateral to the Federal Reserve to secure Federal Reserve Discount Window advances. All residential mortgage-backed securities are collateralized by U.S. mortgages.

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The following table presents the estimated fair values and gross unrealized losses of our available-for-sale investment securities:

<i>At December 31 (\$ in millions)</i>	In loss position for			
	Estimated fair value	Less than 12 months Gross unrealized losses	Estimated fair value	12 months or more Gross unrealized losses
2013				
Debt				
State and municipal	\$ 23	\$ (2)	\$ 20	\$ (5)
Residential mortgage-backed	127	(7)	20	(2)
Equity	14			
Total	\$ 164	\$ (9)	\$ 40	\$ (7)
2012				
Debt				
State and municipal	\$	\$	\$ 21	\$ (4)
Residential mortgage-backed	25			
Equity	1			
Total	\$ 26	\$	\$ 21	\$ (4)

We regularly review investment securities for impairment using both qualitative and quantitative criteria. We presently do not intend to sell our debt securities that are in an unrealized loss position and believe that it is not more likely than not that we will be required to sell these securities before recovery of our amortized cost. Our equity securities had gross unrealized losses of less than \$1 million at December 31, 2013 and 2012. We believe that these unrealized losses associated with our equity securities will be recovered within the foreseeable future.

There were no other-than-temporary impairments recognized for each of the three years ended December 31, 2013.

Contractual Maturities of Investment in Available-for-Sale Debt Securities (Excluding Residential Mortgage-Backed Securities)

<i>At December 31, 2013 (\$ in millions)</i>	Amortized cost	Estimated fair value
Due in		
Within one year	\$	\$
After one year through five years	\$ 1	\$ 1
After five years through ten years	\$ 1	\$ 1
After ten years	\$ 51	\$ 44

We expect actual maturities to differ from contractual maturities because borrowers have the right to prepay certain obligations.

There were insignificant realized gains recognized for each of the three years ended December 31, 2013.

Although we generally do not have the intent to sell any specific securities at the end of the period, in the ordinary course of managing our investment securities portfolio, we may sell securities prior to their maturities for a variety of reasons, including diversification, credit quality, yield, liquidity requirements and funding obligations.

Table of Contents**NOTE 5. LOAN RECEIVABLES AND ALLOWANCE FOR LOAN LOSSES**

<i>At December 31 (\$ in millions)</i>	2013	2012
Credit cards	\$ 54,958	\$ 49,572
Consumer installment loans	965	1,424
Commercial credit products	1,317	1,307
Other	14	10
Total loan receivables, before allowance for losses^(a)	\$ 57,254	\$ 52,313

(a) Total loan receivables include \$26,071 million and \$25,375 million of restricted loans of consolidated securitization entities at December 31, 2013 and 2012, respectively. See Note 6. *Variable Interest Entities* for further information on these restricted loans.

At December 31, 2013, loan receivables included deferred expense of \$8 million. At December 31, 2012, loan receivables were net of deferred income of \$42 million.

Loan receivables also included \$3 million and \$28 million at December 31, 2013 and 2012, respectively, relating to loans that had been acquired but have been subject to credit deterioration, above the original estimate, since origination.

Allowance for Loan Losses

<i>(\$ in millions)</i>	Balance at January 1, 2013	Provision charged to operations	Other^(a)	Gross charge-offs^(b)	Recoveries^(b)	Balance at December 31, 2013
Credit cards	\$ 2,174	\$ 2,970	\$	\$ (2,847)	\$ 530	\$ 2,827
Consumer installment loans	62	49		(111)	19	19
Commercial credit products	38	53		(53)	8	46
Other						
Total	\$ 2,274	\$ 3,072	\$	\$ (3,011)	\$ 557	\$ 2,892

<i>(\$ in millions)</i>	Balance at January 1, 2012	Provision charged to operations	Other^(a)	Gross charge-offs^(b)	Recoveries^(b)	Balance at December 31, 2012
Credit cards	\$ 1,902	\$ 2,438	\$	\$ (2,680)	\$ 514	\$ 2,174
Consumer installment loans	113	54		(130)	25	62
Commercial credit products	37	69		(76)	8	38
Other		4		(4)		

Total	\$ 2,052	\$ 2,565	\$	\$ (2,890)	\$ 547	\$ 2,274
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<i>(\$ in millions)</i>	Balance at January 1, 2011	Provision charged to operations	Other^(a)	Gross charge-offs^(b)	Recoveries^(b)	Balance at December 31, 2011
Credit cards	\$ 2,137	\$ 2,130	\$ (8)	\$ (2,850)	\$ 493	\$ 1,902
Consumer installment loans	176	54		(151)	34	113
Commercial credit products	49	74		(99)	13	37
Other						
Total	\$ 2,362	\$ 2,258	\$ (8)	\$ (3,100)	\$ 540	\$ 2,052

(a) Other includes the effects of foreign currency exchange.

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(b) Net charge-offs (gross charge-offs less recoveries) in certain portfolios may exceed the beginning allowance for loan losses as our revolving credit portfolios turn over more than once per year or, in all portfolios, can reflect losses that are incurred subsequent to the beginning of the year due to information becoming available during the year, which may identify further deterioration of existing loan receivables.

Information related to the delinquencies and net charge-offs in our loan portfolio, which excludes loans held for sale, is shown below by each class of loan receivables.

Delinquent and Non-accrual Loans

<i>At December 31, 2013 (\$ in millions)</i>	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing^(a)	Total non-accruing^(a)
Credit cards	\$ 1,327	\$ 1,105	\$ 2,432	\$ 1,105	\$ 2
Consumer installment loans	12	2	14		
Commercial credit products	28	14	42	14	
Other					
Total delinquent loans	\$ 1,367	\$ 1,121	\$ 2,488	\$ 1,119	\$ 2
Percentage of total loan receivables ^(b)	2.4%	2.0%	4.3%	2.0%	0.0%

<i>At December 31, 2012 (\$ in millions)</i>	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing^(a)	Total non-accruing^(a)
Credit cards	\$ 1,287	\$ 1,038	\$ 2,325	\$ 15	\$ 1,023
Consumer installment loans	21	4	25		4
Commercial credit products	31	15	46		15
Other					
Total delinquent loans	\$ 1,339	\$ 1,057	\$ 2,396	\$ 15	\$ 1,042
Percentage of total loan receivables ^(b)	2.6%	2.0%	4.6%	0.0%	2.0%

(a) Beginning in the fourth quarter of 2013 we revised our methods for classifying loan receivables as non-accrual to more closely align with regulatory guidance. As a result we continue to accrue interest on credit card balances until they reach 180 days past due. For further information see Note 2. *Basis of Presentation and Summary of*

Significant Accounting Policies.

(b) Percentages are calculated based on period end balances.

Impaired Loans and Troubled Debt Restructurings

Most of our non-accrual loan receivables are smaller balance loans evaluated collectively, by portfolio, for impairment and therefore are outside the scope of the disclosure requirements for impaired loans. Accordingly, impaired loans represent restructured smaller balance homogeneous loans meeting the definition of a TDR. We use certain loan modification programs for borrowers experiencing financial difficulties. These loan modification programs include interest rate reductions and payment deferrals in excess of three months, which were not part of the terms of the original contract.

We have both internal and external loan modification programs. The internal loan modification programs include both temporary and permanent programs. For our credit card customers, the temporary hardship program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no

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longer than 12 months. The permanent workout program involves changing the structure of the loan to a fixed payment loan with a maturity no longer than 60 months and reducing the interest rate on the loan. The permanent program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for customers who request financial assistance through external sources, such as a consumer credit counseling agency programs. These loans typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The following table provides information on loans that entered a loan modification program during the period:

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012
Credit cards	\$ 506	\$ 565
Consumer installment loans	26	45
Commercial credit products	7	13
Other		
Total	\$ 539	\$ 623

Loans classified as TDRs are recorded at their present value with impairment measured as the difference between the loan balance and the discounted present value of cash flows expected to be collected. Consistent with our measurement of impairment of modified loans on a collective basis, the discount rate used for credit card loans is the original effective interest rate. Interest income from loans accounted for as TDRs is accounted for in the same manner as other accruing loans.

The following table provides information about loans classified as TDRs and specific reserves. We do not evaluate credit card loans for impairment on an individual basis, but instead estimate an allowance for loan losses on a collective basis. As a result, there are no impaired loans for which there is no allowance.

<i>At December 31, 2013 (\$ in millions)</i>	Total recorded investment	Related allowance	Net recorded investment	Unpaid principal balance	Average recorded investment
Credit cards	\$ 799	\$ (246)	\$ 553	\$ 692	\$ 890
Consumer installment loans					
Commercial credit products	12	(5)	7	12	12
Total	\$ 811	\$ (251)	\$ 560	\$ 704	\$ 902

<i>At December 31, 2012 (\$ in millions)</i>	Total recorded investment	Related allowance	Net recorded investment	Unpaid principal balance	Average recorded investment
Credit cards	\$ 852	\$ (268)	\$ 584	\$ 768	\$ 908
Consumer installment loans	62	(30)	32	62	80
Commercial credit products	5	(1)	4	5	5

Total	\$	919	\$	(299)	\$	620	\$	835	\$	993
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Table of Contents**Financial Effects of TDRs**

As part of our loan modifications for borrowers experiencing financial difficulty, we may provide multiple concessions to minimize our economic loss and improve long-term loan performance and collectability. The following tables present the types and financial effects of loans modified and accounted for as TDRs during the period:

For the years ended December 31

	2013		2012		2011	
	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms
<i>(\$ in millions)</i>						
Credit cards	\$ 79	\$ 175	\$ 75	\$ 173	\$ 88	\$ 197
Consumer installment loans	1	3	1	4	1	6
Commercial credit products	1	2	1	3	1	4
Total	\$ 81	\$ 180	\$ 77	\$ 180	\$ 90	\$ 207

Payment Defaults

The following table presents the type, number and amount of loans accounted for as TDRs that enrolled in a modification plan and experienced a payment default during the period. A customer defaults from a modification program after two consecutive missed payments.

For the years ended December 31 (\$ in millions)

	2013		2012		2011	
	Accounts defaulted	Loans defaulted	Accounts defaulted	Loans defaulted	Accounts defaulted	Loans defaulted
Credit cards	30,640	\$ 56	43,609	\$ 82	75,454	\$ 152
Consumer installment loans	98	3	129	4	226	7
Commercial credit products	42		95		227	1
Total	30,780	\$ 59	43,833	\$ 86	75,907	\$ 160

Credit Quality Indicators

Our loan receivables portfolio includes both secured and unsecured loans. Secured loan receivables are largely comprised of consumer installment loans secured by equipment. Unsecured loan receivables are largely comprised of

our open-ended revolving credit card and commercial loans. As part of our credit risk management activities, on an ongoing basis we assess overall credit quality by reviewing information related to the performance of a customer's account with us as well as information from credit bureaus, such as a Fair Isaac Corporation (FICO) or other credit scores, relating to the customer's broader credit performance. FICO scores are generally obtained at origination of the account and are refreshed, at a minimum quarterly, but could be as often as weekly, to assist in predicting customer behavior. These credit scores are categorized into three credit score categories, including: (i) 671 or higher, which are considered the strongest credits, (ii) 626 to 670, considered moderate credit risk and (iii) 625 or less, which are considered weaker credits. There are certain customer accounts for which a FICO score is not available where we use alternative sources to assess their credit and predict behavior. The following table provides the most recent FICO scores available for our customers at December 31, 2013 and 2012, as a percentage of each class of loan receivable. The table below excludes 1.1% and 1.0% of our total loan receivables balance at December 31, 2013 and 2012 respectively, which represents those customer accounts for which a FICO score is not available.

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At December 31

	2013			2012		
	671 or higher	626 to 670	625 or less	671 or higher	626 to 670	625 or less
Credit cards	66.2%	19.8%	14.0%	65.7%	19.1%	15.2%
Consumer installment loans	73.9%	15.6%	10.5%	70.4%	15.5%	14.1%
Commercial credit products	82.3%	9.5%	8.2%	83.4%	9.4%	7.2%

Unfunded Lending Commitments

We manage the potential risk in credit commitments by limiting the total amount of credit, both by individual customer and in total, by monitoring the size and maturity of our portfolios and by applying the same credit standards for all of our credit products. Unused credit card lines available to our customers totaled \$277 billion and \$256 billion at December 31, 2013 and 2012, respectively. While these amounts represented the total available unused credit card lines, we have not experienced and do not anticipate that all of our customers will access their entire available line at any given point in time.

Interest Income by Product

The following table provides additional information about our interest and fees on loans from our loan receivables:

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Credit cards	\$ 11,015	\$ 9,967	\$ 8,720
Consumer installment loans	129	176	245
Commercial credit products	150	156	168
Other	1	1	1
Total	\$ 11,295	\$ 10,300	\$ 9,134

NOTE 6. VARIABLE INTEREST ENTITIES

We use variable interest entities to securitize loans and arrange asset-backed financing in the ordinary course of business. Investors in these entities only have recourse to the assets owned by the entity and not to our general credit. We do not have implicit support arrangements with any VIE and we did not provide non-contractual support for previously transferred loan receivables to any VIE in 2013 or 2012. Our VIEs are able to accept new loan receivables and arrange new asset-backed financings, consistent with the requirements and limitations on such activities placed on the VIE by existing investors. Once an account has been designated to a VIE, the contractual arrangements we have require all existing and future loans originated under such account to be transferred to the VIE. The amount of loan receivables held by our VIEs in excess of the minimum amount required under the asset-backed financing arrangements with investors may be removed by us under random removal of accounts provisions. All loan receivables held by a VIE are subject to claims of third-party investors.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all

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relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, as well as any other contractual arrangements that might exist that could have potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

We consolidate our VIEs because we have the power to direct the activities that significantly affect the VIEs economic performance, typically because of our role as either servicer or manager for the VIE. The power to direct exists because of our role in the design and conduct of the servicing of the VIE's assets as well as directing certain affairs of the VIE, including determining whether and on what terms debt of the VIE will be issued.

The loan receivables in these entities have risks and characteristics similar to our other financing receivables and were underwritten to the same standard. Accordingly, the performance of these assets has been similar to our other comparable loan receivables; however, the blended performance of the pools of receivables in these entities reflects the eligibility criteria that we apply to determine which receivables are selected for transfer. Contractually the cash flows from these financing receivables must first be used to pay third-party debt holders as well as other expense of the entity. Excess cash flows are available to us. The creditors of these entities have no claim on our other assets.

The table below summarizes the assets and liabilities of our consolidated securitization VIEs described above.

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets		
Loans receivables, net ^(a)	\$ 24,766	\$ 24,180
Other assets	20	29
Total	\$ 24,786	\$ 24,209
Liabilities		
Borrowings	\$ 15,362	\$ 17,208
Other liabilities	228	157
Total	\$ 15,590	\$ 17,365

(a) Includes \$1,305 million and \$1,195 million of related allowance for loan losses resulting in gross restricted loans of \$26,071 million and \$25,375 million for the years ending December 31, 2013 and 2012, respectively.

The balances presented above are net of intercompany balances and transactions that are eliminated in our combined financial statements.

We provide servicing to these VIEs and are contractually permitted to commingle cash collected from customers on loan receivables owned by the VIEs with our own cash prior to payment to a VIE, provided GECC's short-term credit rating does not fall below A-1/P-1. These VIEs also owe us amounts for purchased loan receivables and amounts due to us under the equity and other interests we have in the VIEs. At December 31, 2013 and 2012, the amounts of commingled cash owed to these VIEs were \$4,071 million and \$4,268 million, respectively, and the amounts owed to us by the VIEs were \$3,341 million and \$4,230 million, respectively.

Income (principally, interest and fees on loans) earned by our consolidated VIEs were \$5,301 million, \$4,839 million and \$4,223 million in 2013, 2012 and 2011, respectively. Related expenses consisted primarily of provisions for loan losses of \$1,219 million, \$1,334 million and \$1,125 million in 2013, 2012 and 2011, respectively, and interest expense of \$211 million, \$228 million and \$248 million in 2013, 2012 and 2011, respectively. These amounts do not include intercompany transactions, principally fees and interest, which are eliminated in our combined financial statements.

Table of Contents**NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS****Goodwill**

<i>(\$ in millions)</i>	2013	2012
Balance at January 1	\$ 936	\$ 936
Acquisitions	13	
Balance at December 31	\$ 949	\$ 936

The increase in goodwill during 2013 relates to the acquisition of the MetLife Bank, N.A deposit business. See Note 3. *Acquisitions and Dispositions*.

Intangible Assets Subject to Amortization

	2013			2012		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
<i>At December 31 (\$ in millions)</i>						
Customer-related	\$ 586	\$ (312)	\$ 274	\$ 504	\$ (266)	\$ 238
Capitalized software	55	(29)	26	39	(22)	17
Total	\$ 641	\$ (341)	\$ 300	\$ 543	\$ (288)	\$ 255

During 2013, we recorded additions to intangible assets subject to amortization of \$128 million, primarily related to payments made to acquire customer relationships or extend retail partner relationships.

The components of definite-lived intangible assets acquired during 2013 and their respective weighted-average amortizable periods are: \$108 million Customer-related (6 years) and \$9 million Capitalized software (5 years) (excludes internally developed software of \$11 million).

Amortization expense related to intangible assets was \$83 million, \$68 million and \$71 million for the years ended December 31, 2013, 2012 and 2011, respectively, and is included in the line items Marketing and Business Development, and Other, within Other expense in our Combined Statements of Earnings. We estimate annual pre-tax amortization for existing intangible assets over the next five calendar years to be as follows: 2014 - \$77 million, 2015 - \$70 million, 2016 - \$61 million, 2017 - \$41 million and 2018 - \$17 million.

NOTE 8. DEPOSITS AND BORROWINGS

The tables below summarize the components of our deposits, borrowings of consolidated securitization entities and related party debt at December 31, 2013 and 2012. The amounts presented for outstanding borrowings include unamortized debt premiums and discounts.

Deposits	2013		2012	
	Amount	Average rate ^(a)	Amount	Average rate ^(a)
<i>At December 31 (\$ in millions)</i>				
Interest bearing deposits ^{(b)(e)}	\$ 25,360	1.7%	\$ 18,398	2.1%
Non-interest bearing deposits	359		406	
Total deposits	\$ 25,719		\$ 18,804	

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Borrowings <i>At December 31 (\$ in millions)</i>	Maturities	2013		2012	
		Amount	Average rate ^(a)	Amount	Average rate ^(a)
Borrowings of consolidated securitization entities ^(c)	2014 - 2019	\$ 15,362	1.3%	\$ 17,208	1.5%
Related party debt ^(d)	2014 - 2017	8,959	1.7%	10,607	1.5%
Total borrowings		\$ 24,321		\$ 27,815	

Liquidity

At December 31, 2013, interest-bearing time deposits and borrowings maturing over the next five years were as follows:

<i>(\$ in millions)</i>	2014	2015	2016	2017	2018
Deposits ^(f)	\$ 8,765	\$ 4,711	\$ 1,953	\$ 1,641	\$ 1,469
Borrowings of consolidated securitization entities ^(c)	\$ 5,143	\$ 5,279	\$ 1,144	\$ 1,834	\$ 800
Related party debt ^(d)	\$ 22	\$ 105	\$	\$ 68	\$

- (a) Based on interest expense for the year and average deposits and borrowings balances.
- (b) At December 31, 2013 and 2012, interest bearing deposits included \$5,695 million and \$447 million, respectively, which represented large denomination certificates of \$100,000 or more.
- (c) We securitize credit card receivables as an additional source of funding. During 2013 and 2012, we completed new debt issuances with proceeds of \$866 million and \$7,799 million, respectively. During 2013, we amended the terms of \$400 million of debt, primarily to extend maturities and revise terms to current market pricing. See Note 6. *Variable Interest Entities*.
- (d) At December 31, 2013 and 2012, \$195 million and \$391 million, respectively, of debt issued by one of our securitization entities was held by a GECC affiliate, of which \$22 million and \$136 million, respectively, was repayable within 12 months of the respective period end. The remaining balance of related party debt is classified as long-term debt on the basis that there are no stated repayment terms. See Note 14. *Related Party Transactions and Parent's Net Investment* for information about related party debt.
- (e) At December 31, 2013 and 2012, \$651 million and \$301 million, respectively, of deposits issued by the Bank were held by GECC and have been reflected as being held by our company and therefore eliminated in our combined financial statements in accordance with the basis of presentation described in Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.
- (f) In addition to interest-bearing time deposits, at December 31, 2013 we had \$2,618 million of broker network deposit sweeps procured through a program arranger who channels brokerage account deposits to us. Unless extended, those contracts will terminate in 2014 and 2015, representing \$262 million and \$2,356 million, respectively.

In addition, the Bank is a party to two separate revolving credit agreements, each with a different lender, and each of which provides us with an unsecured revolving line of credit of up to \$500 million. GECC has guaranteed our payment obligations under these agreements. There were no borrowings under these agreements for the periods presented.

NOTE 9. FAIR VALUE MEASUREMENTS

For a description of how we estimate fair value, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies.*

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The following tables present our assets and liabilities measured at fair value on a recurring basis. Included in the tables are debt and equity securities.

Recurring Fair Value Measurements

The following tables present our assets measured at fair value on a recurring basis.

<i>At December 31, 2013 (\$ in millions)</i>	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Debt				
State and municipal	\$	\$	\$ 46	\$ 46
Residential mortgage-backed		175		175
Equity	15			15
Total	\$ 15	\$ 175	\$ 46	\$ 236

<i>At December 31, 2012 (\$ in millions)</i>	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Debt				
State and municipal	\$	\$	\$ 39	\$ 39
Residential mortgage-backed		149		149
Equity	5			5
Total	\$ 5	\$ 149	\$ 39	\$ 193

For the years ended December 31, 2013 and 2012, there were no securities transferred between Level 1 and Level 2. At December 31, 2013 and 2012, we did not have any liabilities measured at fair value on a recurring basis.

The following tables present the changes in Level 3 instruments measured on a recurring basis for the years ended December 31, 2013 and 2012, respectively. All of our Level 3 balances consist of investment securities classified as available-for-sale with changes in fair value included in equity.

Changes in Level 3 Instruments for the Year Ended December 31, 2013

<i>(\$ in millions)</i>	Balance at January 1, 2013	Net realized gains (losses) included	Net realized/unrealized gains (losses) included	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31, 2013	Net change in unrealized gains (losses)

	earnings in accumulated other comprehensive income								relating to instruments still held at December 31, 2013	
Investment securities										
Debt										
State and municipal	\$ 39	\$	\$ (4)	\$ 16	\$	\$ (5)	\$	\$	\$ 46	\$ (4)
Residential mortgage-backed										
Equity										
Total	\$ 39	\$	\$ (4)	\$ 16	\$	\$ (5)	\$	\$	\$ 46	\$ (4)

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Table of Contents**Changes in Level 3 Instruments for the Year Ended December 31, 2012**

	Balance at January 1, 2012	Net realized/unrealized gains (losses) included in earnings	Net realized/unrealized gains (losses) other	Purchases	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31, 2012	Net change in unrealized gains (losses) relating to instruments still held at December 31, 2012
<i>(\$ in millions)</i>										
Investment securities										
Debt										
State and municipal	\$ 32	\$ 4	\$ 4	\$ 4	\$ (1)	\$	\$	\$	\$ 39	\$ 4
Residential mortgage- backed										
Equity										
Total	\$ 32	\$ 4	\$ 4	\$ 4	\$ (1)	\$	\$	\$	\$ 39	\$ 4

Non-Recurring Fair Value Measurements

The following table represents non-recurring fair value amounts (as measured at the time of the adjustment) for those assets remeasured to fair value on a non-recurring basis during the year and held at December 31, 2013 and 2012. These assets can include repossessed assets and cost method investments that are written down to fair value when they are impaired. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs. At December 31, 2013 we had an insignificant balance of loans held-for-sale which was remeasured at fair value on a non-recurring basis. At December 31, 2012, we had no loans held-for-sale.

<i>(\$ in millions)</i>	Remeasured during the years ended December 31,			
	2013		2012	
	Level 2	Level 3	Level 2	Level 3
Repossessed assets	\$	\$ 1	\$	\$ 2
Cost method investments		4		
Total	\$	\$ 5	\$	\$ 2

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The following table represents the fair value adjustments to assets measured at fair value on a non-recurring basis and held at December 31, 2013 and 2012.

<i>Years ended December 31 (\$ in millions)</i>	2013	2012
Reposessed assets	\$ (1)	\$
Cost method investments ^(a)		
Total	\$ (1)	\$

(a) Adjustments relating to cost method investments were less than \$1 million for the year ended December 31, 2013.

Level 3 Measurements

Our Level 3 non-recurring fair value measurements include reposessed assets of \$1 million and \$2 million at December 31, 2013 and 2012, respectively, and cost method investments of \$4 million at December 31, 2013.

The significant unobservable inputs used to estimate the non-recurring fair value measurement of reposessed assets include recovery rates that are calculated as net reposessed asset sale proceeds divided by the unpaid principal balance. The range (weighted average) of these inputs for the year ended December 31, 2013 was 24% - 52% (51%) and for the year ended December 31, 2012 was 22% - 56% (53%).

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Cost method investments are valued based on the net asset value that represents the sum of individual portfolio investment values as reported by each investment fund.

Other Level 3 recurring fair value measurements include state and municipal debt instruments of \$46 million and \$39 million at December 31, 2013 and 2012, respectively, are valued using non-binding broker quotes or other third-party sources. For a description of our process to evaluate third-party pricing servicers, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.

Financial Assets and Financial Liabilities Carried at Other than Fair Value

At December 31, 2013 (\$ in millions)	Carrying value	Corresponding fair value amount			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 2,319	\$ 2,319	\$ 2,319	\$	\$
Other assets ^(a)	\$ 76	\$ 76	\$ 76	\$	\$
Financial assets carried at other than fair value:					
Loan receivables, net	\$ 54,362	\$ 60,344	\$	\$	\$ 60,344
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$ 25,719	\$ 25,994	\$	\$ 25,994	\$
Borrowings of consolidated securitization entities	\$ 15,362	\$ 15,308	\$	\$ 8,206	\$ 7,102
Related party debt ^(b)	\$ 8,959	\$ 209	\$	\$ 209	\$

At December 31, 2012 (\$ in millions)	Carrying value	Corresponding fair value amount			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 1,334	\$ 1,334	\$ 1,334	\$	\$
Other assets ^(a)	\$ 56	\$ 56	\$ 56	\$	\$
Financial assets carried at other than fair value:					
Loan receivables, net	\$ 50,039	\$ 54,980	\$	\$	\$ 54,980
Cost method investments	\$ 3	\$ 4	\$	\$	\$ 4
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$ 18,804	\$ 19,067	\$	\$ 19,067	\$
Borrowings of consolidated securitization entities	\$ 17,208	\$ 17,405	\$	\$ 9,279	\$ 8,126
Related party debt ^(b)	\$ 10,607	\$ 422	\$	\$ 422	\$

- (a) This balance relates to restricted cash which is included in other assets.
- (b) The fair value of the related party debt relates to the \$195 million and \$391 million at December 31, 2013 and 2012, respectively, of debt issued by one of our securitization entities which was held by a GECC affiliate. With respect to the remaining balance of related party debt, as there are no stated repayment terms or rates and the balance is an allocation of Parent's net investment, it is not meaningful to provide a corresponding fair value amount.

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The following is a description of how we estimate fair values of the financial assets and liabilities carried at other than fair value:

Loan receivables, net

Loan receivables are recorded at historical cost, less reserves in our Combined Statements of Financial Position. In estimating the fair value for our loans we use a discounted future cash flow model. We use various inputs including estimated interest and fee income, payment rates, loss rates and discount rates (which consider current market interest rate data adjusted for credit risk and other factors) to estimate the fair values of loans.

Deposits

For demand deposits with no defined maturity and fixed-maturity certificates of deposit with one year or less remaining to maturity, carrying value approximates fair value due to the potentially liquid nature of these deposits. For fixed-maturity certificates of deposit with remaining maturities of more than one year, fair values are estimated by discounting expected future cash flows using market rates currently offered for deposits with similar remaining maturities.

Borrowings

Fair values of borrowings of consolidated securitization entities and related party debt issued by one of our securitization entities which was held by a GECC affiliate are based on valuation methodologies using current market interest rate data which are comparable to market quotes adjusted for our non-performance risk.

NOTE 10. REGULATORY AND CAPITAL ADEQUACY

As a savings and loan holding company, we are subject to extensive regulation, supervision and examination by the Federal Reserve Board. The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation, supervision and examination by the Office of the Comptroller of the Currency (OCC), which is its primary regulator, and by the Consumer Financial Protection Bureau (CFPB). In addition, the Bank, as an insured depository institution, is supervised by the Federal Deposit Insurance Corporation.

As a savings and loan holding company, we historically have not been required to maintain any specific amount of minimum capital. Beginning as early as 2015, however, we expect that we will be subject to capital requirements similar to those applicable to the Bank. These capital requirements have recently been substantially revised, including as a result of Basel III and the requirements of the Dodd-Frank Act. Moreover, these requirements are supplemented by outstanding regulatory proposals by the federal banking agencies, based on, and in addition to, changes recently adopted by the Basel Committee to increase the amount and scope of a supplemental leverage capital requirement that will be applicable to larger savings and loan holding companies, like GECC, by increasing the assets included in the denominator of the leverage ratio calculation.

When we become subject to capital requirements, we will also be required to conduct stress tests on an annual basis. Under the Federal Reserve Board's stress test regulations, we will be required to utilize stress-testing methodologies providing for results under at least three different sets of conditions, including baseline, adverse and severely adverse conditions. In addition, as part of meeting our minimum capital requirements, we may be required to comply with the Federal Reserve Board's Comprehensive Capital Analysis and Review (CCAR) process, or some modified version of the CCAR process, which would measure our minimum capital requirement levels under various stress scenarios. In

connection with such a process, we may be required to develop for the Federal Reserve Board's review and approval a capital plan that will include how we will meet our minimum capital requirements under specified stress scenarios.

Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could limit our business activities and have a material

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adverse effect on our financial statements. Under capital adequacy guidelines, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to average assets (as defined).

At December 31, 2013 and 2012, the Bank met all applicable requirements to be deemed well-capitalized pursuant to OCC regulations and for purposes of the Federal Deposit Insurance Act. To be categorized as well-capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and leverage ratios as set forth in the following table. There are no conditions or events subsequent to that date that management believes have changed the Bank's capital category.

The actual capital amounts and ratios and the required minimums of the Bank are as follows:

<i>At December 31, 2013 (\$ in millions)</i>	Actual		Minimum for capital adequacy purposes		Minimum to be well-capitalized under prompt corrective action provisions	
	Amount	Ratio^(a)	Amount	Ratio	Amount	Ratio
Total risk-based capital	\$ 6,010	17.3%	\$ 2,784	8.0%	\$ 3,480	10.0%
Tier 1 risk-based capital	\$ 5,559	16.0%	\$ 1,392	4.0%	\$ 2,088	6.0%
Tier 1 leverage	\$ 5,559	14.9%	\$ 1,495	4.0%	\$ 1,869	5.0%

<i>At December 31, 2012 (\$ in millions)</i>	Actual		Minimum for capital adequacy purposes		Minimum to be well-capitalized under prompt corrective action provisions	
	Amount	Ratio^(a)	Amount	Ratio	Amount	Ratio
Total risk-based capital	\$ 5,608	15.1%	\$ 2,980	8.0%	\$ 3,725	10.0%
Tier 1 risk-based capital	\$ 5,134	13.8%	\$ 1,490	4.0%	\$ 2,235	6.0%
Tier 1 leverage	\$ 5,134	17.2%	\$ 1,193	4.0%	\$ 1,492	5.0%

(a) Represent Basel I capital ratios calculated for the Bank.

The Bank may pay dividends on its stock, with consent or non-objection from the OCC and the Federal Reserve Board, if, among other things, its regulatory capital would not thereby be reduced below the amount then required by the applicable regulatory capital requirements. Throughout the three years ended December 31, 2013, the Bank met all regulatory capital adequacy requirements to which it was subject. Due to this restriction on the payment of dividends, we have included parent company financial statements in accordance with Regulation S-X of the SEC. See Note 15. *Parent Company Financial Information.*

NOTE 11. EMPLOYEE BENEFIT PLANS

Historically, we have reimbursed GE for benefits provided to our employees under various U.S. GE employee benefit plans, including costs associated with our participation in GE's retirement plans (pension, retiree health and life insurance, and savings benefit plans) and active health and life insurance benefit plans.

Certain of our employees participate in GE's primary retirement pension plan (the GE Pension Plan), a defined benefit pension plan. Our participation in that plan is accounted for as a participant in a multi-employer plan, and therefore, we record expense only to the extent that we are required to fund that plan. We have not been required to fund that plan, beyond the service costs for active participating employees. As such, we have not recorded any liability associated with our participation in this plan in our Combined Statements of Financial Position at December 31, 2013 and 2012.

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In addition to the GE Pension Plan, certain of our employees are also covered under the GE Supplementary Pension Plan and the GE Retirement Savings Plan. The GE Supplementary Pension Plan is a pension plan providing retirement benefits primarily to higher-level, long service U.S. employees. Our employees are also eligible to participate in the GE Retirement Savings Plan, a defined contribution savings plan that allows an employee to contribute a portion of their pay on a pre-tax basis. GE matches 50% of these contributions up to a maximum of 8% of the employee's pay. Employees who commence service after January 1, 2011, receive a non-elective contribution into this plan in lieu of participating in the GE Pension Plan.

We incurred expenses associated with these plans of \$124 million, \$107 million and \$107 million for the years ended December 31, 2013, 2012 and 2011, respectively.

NOTE 12. STOCK RELATED INFORMATION

Certain of our employees have been granted GE stock options and restricted stock units (RSUs) under GE's 2007 Long-Term Incentive Plan. Share requirements for all plans may be met by GE from either unissued or treasury shares of its stock. Stock options expire 10 years from the date they are granted and vest over service periods that range from one to five years. RSUs give the recipients the right to receive shares of GE stock upon the vesting of their related restrictions. Restrictions on RSUs vest in various increments and at various dates, beginning after one year from date of grant through grantee retirement. Each RSU is convertible into one share of GE stock. Although the plan permits GE to issue RSUs settleable in cash, GE has only issued RSUs settleable in shares of GE stock.

GE employees have routinely transferred employment between various GE subsidiaries, including to/from our company. Our combined financial statements include compensation expense related to these awards for the portion of an employee's vesting period that accrued during employment with us. The total compensation expense recorded for these awards was not material for all periods presented.

All unvested GE stock options that are held by our employees will vest as of the date GE ceases to own at least 50% of our outstanding common stock. At December 31, 2013, there was \$15 million of total unrecognized compensation cost related to non-vested stock options.

NOTE 13. INCOME TAXES

We are included in the consolidated U.S. federal and state income tax returns of GE where applicable, but also file certain separate state and foreign income tax returns. The tax provision and current and deferred tax balances have been presented on a separate company basis as if we were a separate filer. We recognize the current and deferred tax consequences of all transactions that have been recognized in the financial statements using the provisions of the enacted tax laws. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse. We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized.

The following table summarizes earnings before provision for income taxes.

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
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U.S.	\$ 3,124	\$ 3,352	\$ 2,993
Non-U.S.	18	24	17
Earnings before provision for income taxes	\$ 3,142	\$ 3,376	\$ 3,010

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The significant components of the provision for income taxes included in the Combined Statements of Earnings were as follows for each of the years ended December 31, 2013, 2012 and 2011.

<i>(\$ in millions)</i>	2013	2012	2011
Current provision for income taxes			
U.S. Federal	\$ (1,280)	\$ (1,152)	\$ (893)
Non-U.S.	(5)	(7)	(6)
U.S. state and local	(115)	(116)	(93)
Total current provision for income taxes	(1,400)	(1,275)	(992)
Deferred benefit (provision) for income taxes from temporary differences			
U.S. Federal	215	16	(120)
Non-U.S.	1		2
U.S. state and local	21	2	(10)
Deferred benefit (provision) for income taxes from temporary differences	237	18	(128)
Total provision for income taxes	\$ (1,163)	\$ (1,257)	\$ (1,120)

Consistent with the provisions of ASC 740, *Income Taxes*, U.S. income taxes have not been provided on the undistributed earnings of certain non-U.S. subsidiaries, to the extent that such earnings have been reinvested abroad for an indefinite period of time. Based on our on-going review of the business requirements and capital needs of our non-U.S. subsidiaries, combined with the formation of specific strategies and steps taken to fulfill these requirements and needs, we have determined that the undistributed earnings of certain of our subsidiaries will be indefinitely reinvested to fund current and future growth of the related businesses. As management does not intend to use the earnings of these subsidiaries as a source of funding for its U.S. operations, such earnings will not be distributed to the U.S. The cumulative amounts of undistributed earnings with regards to which we have not provided U.S. income taxes were approximately \$20 million and \$16 million at December 31, 2013 and 2012 respectively. Any U.S. tax liability associated with these undistributed earnings would be immaterial to the financial statements.

The following table reconciles our effective tax rate to the U.S. federal statutory income tax rate:

	2013	2012	2011
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
U.S. state and local income taxes, net of federal benefit	1.9	2.2	2.2
All other, net	0.1		
Effective tax rate	37.0%	37.2%	37.2%

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax laws and rates that will be in effect when such differences are expected to reverse. Deferred tax assets are specific to the jurisdiction in which they arise, and are recognized subject to management's judgment that realization of those assets is more likely than not. In making

decisions regarding our ability to realize tax assets, we evaluate all positive and negative evidence, including projected future taxable income, taxable income in carryback periods, expected reversal of deferred tax liabilities and the implementation of available tax planning strategies.

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Significant components of our net deferred income taxes were as follows:

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets		
Loan losses	\$ 1,027	\$ 645
Reserves	34	38
Deferred expense		116
State and local income taxes, net of federal benefit	40	11
Other assets	55	24
Total deferred income tax assets	1,156	834
Liabilities		
Original issue discount	(508)	(454)
Deferred income	(2)	
Goodwill and identifiable intangibles	(216)	(212)
Other liabilities	(22)	(2)
Total deferred income tax liabilities	(748)	(668)
Net deferred income tax assets	\$ 408	\$ 166

At December 31, 2013 and 2012, our unrecognized tax benefits, excluding related interest expense and penalties, were \$202 million and \$167 million respectively, of which \$131 million and \$110 million, respectively, if recognized, would reduce the annual effective rate. Included in the amount of unrecognized tax benefits are certain items that would not affect the effective tax rate if they were recognized in our Combined Statements of Earnings. These unrecognized items include the portion of gross state and local unrecognized tax benefits that would be offset by the benefit from associated U.S. federal income tax deductions. It is reasonably possible that the gross balance of unrecognized tax benefits may decrease by \$20 million within the next 12 months.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

<i>(\$ in millions)</i>	2013	2012
Balance at January 1	\$ 167	\$ 118
Additions for tax positions of the current year	59	56
Settlements with tax authorities	(4)	
Expiration of the statute of limitations	(20)	(7)
Balance at December 31	\$ 202	\$ 167

We classify interest on tax deficiencies as interest expense and income tax penalties as provision for income taxes. For the years ended December 31, 2013, 2012 and 2011, \$5 million, \$3 million and \$2 million of interest expense related to income tax liabilities, respectively, and no penalties were recognized in our Combined Statements of Earnings. At December 31, 2013 and 2012, we had accrued \$17 million and \$12 million, respectively, for income tax related

interest and penalties.

The Company is under continuous examination by the IRS and tax authorities for various states as part of their audit of GE's tax returns. During 2013, the IRS completed the audit of GE's consolidated U.S. income tax returns for 2008 and 2009, except for certain issues that remain under examination. During 2011, the IRS completed the audit of GE's consolidated U.S. income tax returns for 2006 and 2007, except for certain issues that remained under examination. At December 31, 2013, the IRS was auditing GE's consolidated U.S. income tax returns for 2010 and 2011. We are under examinations in various states as part of the GE filing group covering tax years 2006 to 2011 as part of the audit of GE's tax returns and in certain separate return states for tax years 2010 and 2011. We believe that there are no other jurisdictions in which the outcome of unresolved issues or claims is likely to be material to our results of operations, financial positions or cash flows. We further believe that we have made adequate provision for all income tax uncertainties that could result from such examinations.

Table of Contents**NOTE 14. RELATED PARTY TRANSACTIONS AND PARENT'S NET INVESTMENT**

GE and its subsidiaries, including GECC, historically have provided a variety of services and funding to us. The costs and expenses related to these services and funding provided by GE include: (i) direct costs associated with services provided directly to us, (ii) indirect costs related to GE corporate overhead allocation and assessments and (iii) interest expense for related party debt. The following table sets forth our direct costs, indirect costs, and interest expenses related to services and funding provided by GE for the periods indicated.

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Direct costs ^(a)	\$ 207	\$ 184	\$ 181
Indirect costs ^(a)	230	206	183
Interest expense ^(b)	157	155	333
Total expenses for services and funding provided by GE	\$ 594	\$ 545	\$ 697

(a) Direct and indirect costs are included in other expense in our Combined Statements of Earnings.

(b) Included in interest expense in our Combined Statements of Earnings.

Direct Costs. Certain functions and services, such as employee benefits and insurance, are centralized at GE. In addition, certain third-party contracts for goods and services, such as technology licenses and telecommunication contracts, from which we benefit, are entered into by GE. GE allocates the costs associated with these goods and services to us using established allocation methodologies (e.g., pension costs are allocated using an actuarially determined percentage applied to the total compensation of employees who participate in such pension plans). For the years ended December 31, 2013, 2012 and 2011, we recorded \$207 million, \$184 million and \$181 million, respectively, related to these costs from GE. Below is a description of services resulting in direct costs:

Employee benefits and benefit administration. Historically, we have reimbursed GE for benefits provided to our employees under various U.S. GE employee benefit plans, including costs associated with our participation in GE's retirement plans (pension, retiree health and life insurance, and savings benefit plans) and active health and life insurance benefit plans. We incurred expenses (including administrative costs) associated with these plans of \$129 million, \$110 million and \$110 million for the years ended December 31, 2013, 2012 and 2011, respectively. See Note 11. *Employee Benefit Plans.*

Information technology. GE provides us with certain information technology infrastructure (e.g., data centers), applications and support services. We have incurred \$32 million, \$30 million and \$31 million for these services for the years ending December 31, 2013, 2012 and 2011, respectively.

Telecommunication costs. GE provides us with telecommunication services. These third-party costs are allocated to our business based on number of phone lines used by our business. We have incurred \$33 million, \$34 million and \$33 million for this service for the years ending December 31, 2013, 2012 and 2011, respectively.

Other including leases for vehicles, equipment and facilities. GE and GE affiliates provide us with certain vehicle and equipment leases. In addition, we have certain facilities shared with GE and GE affiliates for which we are allocated our share of the cost based on space occupied by our business and employees. We have incurred \$13 million, \$10 million and \$7 million for the years ending December 31, 2013, 2012 and 2011, respectively.

Indirect Costs. GE and GECC allocate costs to us related to corporate overhead that directly or indirectly benefits our business. These assessments relate to information technology, insurance coverage, tax services provided, executive incentive payments, advertising and branding and other functional support. These allocations are determined primarily using our percentage of GECC's relevant expenses. We have received allocations from GE of \$230 million, \$206 million and \$183 million for these services for the years ended December 31, 2013, 2012 and 2011, respectively.

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Interest Expense. Historically, we have had access to funding provided by GECC. We used this related party debt provided by GECC to meet our funding requirements after taking into account deposits held at the Bank, funding from securitized financings and cash generated from our operations. GECC assesses us an interest cost on a portion of the Parent's total investment and we have reflected that portion as related party debt in the combined financial statements. Interest cost is assessed to us from GECC's centralized treasury function based on fixed and floating interest rates, plus funding related costs that include charges for liquidity and other treasury costs. We incurred borrowing costs for related party debt of \$157 million, \$155 million and \$333 million, for the years ended December 31, 2013, 2012 and 2011, respectively. Our average cost of funds for related party debt was 1.7%, 1.5% and 2.8% for the years ended December 31, 2013, 2012 and 2011, respectively.

Parent's Net Investment. The remainder of our Parent's total investment, in excess of our related party debt, is reflected as equity under the caption, Parent's net investment on our Combined Statements of Financial Position.

Other. In addition to the related party activities described above, there are also a number of other transactions that take place between GE and us. These include:

We use a centralized approach to cash management and financing of our operations. Most of our cash that is outside of the Bank is transferred to GECC on a daily basis and GECC subsequently funds the operating and investing activities as needed. This does not impact our Combined Statements of Earnings.

In addition to the direct and indirect costs discussed above, GE makes payments for our payroll for our employees, corporate credit card bills and freight expenses through a centralized payment system and we reimburse GE in full for the amounts paid. Such expenses are included in other expense across the relevant categories in our Combined Statements of Earnings and are directly attributable to our business and our employees.

NOTE 15. PARENT COMPANY FINANCIAL INFORMATION

The following parent company financial statements for Synchrony Financial are provided in accordance with Regulation S-X of the SEC, which requires such disclosure when restricted net assets of consolidated subsidiaries exceed 25% of consolidated net assets. At December 31, 2013, restricted net assets of our subsidiaries were approximately \$5.8 billion.

Condensed Statements of Earnings

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Interest income from subsidiaries	\$ 143	\$ 154	\$ 333
Interest on related party debt	(143)	(154)	(333)
Net interest income			
Dividends from subsidiaries	3,900	745	2,575
Other expense	26		

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Earnings before benefit from income taxes	3,874	745	2,575
Benefit for income taxes	7		
Equity in undistributed net earnings of subsidiaries	(1,902)	1,374	(685)
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890

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Table of Contents**Condensed Statements of Financial Position**

<i>At December 31 (\$ in millions)</i>	2013	2012
Assets:		
Loan receivables from subsidiaries ^{(a)(b)}	\$ 8,764	\$ 10,216
Investments in subsidiaries	5,949	4,566
Goodwill	17	17
Other assets	8	
Total assets	\$ 14,738	\$ 14,799
Liabilities and Equity:		
Related party debt ^(a)	\$ 8,764	\$ 10,216
Accrued expenses and other liabilities	14	1
Total liabilities	8,778	10,217
Equity:		
Total equity	5,960	4,582
Total liabilities and equity	\$ 14,738	\$ 14,799

- (a) As described in Note 8. *Deposits and Borrowings*, at December 31, 2013 and 2012, \$195 million and \$391 million, respectively, of related party debt was issued by a subsidiary of the Company. As described in Note 14. *Related Party Transactions and Parent's Net Investment*, the portion of our parent's total investment in our combined business on which we are assessed an interest cost is presented as related party debt. Except for the subsidiary-issued debt referred to above, we have reflected related party debt as loans to the Company at the parent level. This funding is used by our subsidiaries and is reflected above as interest-bearing loan receivables.
- (b) At December 31, 2013 and 2012, \$651 million and \$301 million, respectively, of deposits issued by the Bank were held by GECC and have been reflected as being held by our company. While these amounts have been eliminated in our combined financial statements, in accordance with the basis of presentation described in Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*, we have presented them above as loan receivables from subsidiaries.

Table of Contents**Condensed Statements of Cash Flows**

<i>For the years ended December 31 (\$ in millions)</i>	2013	2012	2011
Cash flows operating activities			
Net earnings	\$ 1,979	\$ 2,119	\$ 1,890
Adjustments to reconcile net earnings to cash provided from operating activities			
Increase in other assets	(8)		
Increase in accrued expenses and other liabilities	13		1
Equity in undistributed net earnings of subsidiaries	1,902	(1,374)	685
Cash from operating activities	3,886	745	2,576
Cash flows investing activities			
Net decrease in loan receivables from subsidiaries	1,452	1,490	6,405
Net decrease (increase) in investments in subsidiaries	(3,300)	1,124	(669)
Cash (used for) from investing activities	(1,848)	2,614	5,736
Cash flows financing activities			
Net decrease in related party debt	(1,452)	(1,490)	(6,405)
Net transfers to Parent	(586)	(1,869)	(1,907)
Cash used for financing activities	(2,038)	(3,359)	(8,312)
Increase (decrease) in cash and equivalents			
Cash and equivalents at beginning of year			
Cash and equivalents at end of year	\$	\$	\$

NOTE 16. LEGAL PROCEEDINGS AND REGULATORY MATTERS

In the normal course of business, from time to time, we have been named as a defendant in various legal proceedings, including arbitrations, class actions and other litigation, arising in connection with our business activities. Certain of the legal actions include claims for substantial compensatory and/or punitive damages, or claims for indeterminate amounts of damages. We are also involved, from time to time, in reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our business (collectively, regulatory matters), which could subject us to significant fines, penalties, obligations to change our business practices or other requirements resulting in increased expenses, diminished income and damage to our reputation. We contest liability and/or the amount of damages as appropriate in each pending matter. In accordance with applicable accounting guidance, we establish an accrued liability for legal and regulatory matters when those matters present loss contingencies which are both probable and estimable.

Legal proceedings and regulatory matters are subject to many uncertain factors that generally cannot be predicted with assurance, however, and we may be exposed to losses in excess of any amounts accrued.

For some matters, we are able to determine that an estimated loss, while not probable, is reasonably possible. For other matters, including those that have not yet progressed through discovery and/or where important factual information and legal issues are unresolved, we are unable to make such an estimate. We currently estimate that the reasonably possible losses for legal proceedings and regulatory matters, whether in excess of a related accrued liability or where there is no accrued liability, and for which we are able to estimate a possible loss, are immaterial. This represents management's estimate of possible loss with respect to these matters and is based on currently available information. This estimate of possible loss does not represent our maximum loss exposure. The legal proceedings and regulatory matters underlying the estimate will change from time to time and actual results may vary significantly from current estimates.

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Our estimate of reasonably possible losses involves significant judgment, given the varying stages of the proceedings, the existence of numerous yet to be resolved issues, the breadth of the claims (often spanning multiple years), unspecified damages and/or the novelty of the legal issues presented. Based on our current knowledge, we do not believe that we are a party to any pending legal proceeding or regulatory matters that would have a material adverse effect on our combined financial condition or liquidity. However, in light of the uncertainties involved in such matters, the ultimate outcome of a particular matter could be material to our operating results for a particular period depending on, among other factors, the size of the loss or liability imposed and the level of our earnings for that period, and could adversely affect our business and reputation.

Below is a description of certain of our legal proceedings and regulatory matters.

CFPB and Attorney General Matters

On December 10, 2013, we entered into a Consent Order with the CFPB relating to our CareCredit platform, which requires us to pay up to \$34.1 million to qualifying customers, provide additional training and monitoring of our CareCredit partners, include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the business practice changes required by the Consent Order are similar to requirements in an Assurance of Discontinuance that we entered with the Attorney General for the State of New York on June 3, 2013.

Our settlements with the CFPB and the New York Attorney General do not preclude other regulators or state attorneys general from seeking additional monetary or injunctive relief with respect to CareCredit. In this regard, in 2010 and 2012, respectively, we received formal requests for information from the Attorneys General for the states of Minnesota and New Jersey. We have cooperated fully with these inquiries.

Starting in December 2012 and continuing into 2013, the CFPB conducted a review of the Bank's debt cancellation products and its marketing practices in its telesales channel related to those products. We are currently in discussions with the CFPB relating to this review. We cannot predict the final outcome of the discussions and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

In 2012, the Bank discovered through an audit of its collection operations, potential violations of the Equal Credit Opportunity Act where certain Spanish-speaking customers and customers residing in Puerto Rico were excluded from certain statement credit and settlement offers that were made to certain delinquent customers. We provided information to the CFPB in connection with this matter and have been in discussions with them. This matter has been referred to the Department of Justice, which has initiated a civil investigation. We cannot predict the final outcome of the discussions or the investigation, and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

Other Matters

On September 27, 2013, Secure Axxess LLC, filed a complaint against the Bank as well as other defendants in the U.S. District Court for the Eastern District of Texas, for patent infringement related to the Bank's alleged use of website authenticity technology referred to as Safe Keys. The complaint seeks unspecified damages.

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The Bank is a defendant in two putative class actions alleging claims under the federal Telephone Consumer Protection Act (TCPA), where the plaintiffs assert that they received calls on their cellular telephones relating to accounts not belonging to them. One case (*Abdeljalil et al. v. GE Capital Retail Bank*) was filed on August 22,

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2012 in the U.S. District Court for the Southern District of California, originally naming GECC as the defendant. In August 2013, the Court denied without prejudice GECC's motion to dismiss the class allegations. GECC subsequently was dismissed and the plaintiffs amended the complaint to name the Bank as the defendant. The other case (*Travaglio et al. v. GE Capital Retail Bank and Allied Interstate LLC*) was filed on January 17, 2014 in the U.S. District Court for the Middle District of Florida. Both complaints allege that the Bank placed calls to consumers by an automated dialing system or using a pre-recorded message or automated voice without their consent, and seek up to \$1,500 for each violation. The amount of damages sought in the aggregate is unspecified.

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Table of Contents**Synchrony Financial and combined affiliates****Condensed Combined Statements of Earnings****(Unaudited)**

<i>For the three months ended March 31 (\$ in millions)</i>	2014	2013
Interest income:		
Interest and fees on loans (Note 5)	\$ 2,928	\$ 2,699
Interest on investment securities	5	5
Total interest income	2,933	2,704
Interest expense:		
Interest on deposits	96	94
Interest on borrowings of consolidated securitization entities	47	56
Interest on related party debt (Note 12)	47	43
Total interest expense	190	193
Net interest income	2,743	2,511
Retailer share arrangements	(594)	(484)
Net interest income, after retailer share arrangements	2,149	2,027
Provision for loan losses (Note 5)	764	1,047
Net interest income, after retailer share arrangements and provision for loan losses	1,385	980
Other income:		
Interchange revenue	76	72
Debt cancellation fees	70	85
Loyalty programs	(43)	(40)
Other	12	15
Total other income	115	132
Other expense:		
Employee costs	193	162
Professional fees	141	102
Marketing and business development	83	45
Information processing	52	46
Other	141	184
Total other expense	610	539
Earnings before provision for income taxes	890	573

Provision for income taxes (Note 11)	(332)	(214)
Net earnings	\$ 558	\$ 359

See accompanying notes.

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Table of Contents**Synchrony Financial and combined affiliates****Condensed Combined Statements of Comprehensive Income****(Unaudited)**

<i>For the three months ended March 31 (\$ in millions)</i>	2014	2013
Net earnings	\$ 558	\$ 359
Other comprehensive income (loss)		
Investment securities	2	(1)
Currency translation adjustments	1	(3)
Other comprehensive income (loss)	3	(4)
Comprehensive income	\$ 561	\$ 355

Amounts presented net of taxes.

See accompanying notes.

Table of Contents**Synchrony Financial and combined affiliates****Condensed Combined Statements of Financial Position****(Unaudited)**

<i>(\$ in millions)</i>	At March 31, 2014	At December 31, 2013
Assets		
Cash and equivalents	\$ 5,331	\$ 2,319
Investment securities (Note 4)	265	236
Loan receivables: (Notes 5 and 6)		
Unsecuritized loans held for investment	29,101	31,183
Restricted loans of consolidated securitization entities	25,184	26,071
Total loan receivables	54,285	57,254
Less: Allowance for loan losses	(2,998)	(2,892)
Loan receivables, net	51,287	54,362
Goodwill	949	949
Intangible assets, net (Note 7)	464	300
Other assets ^(a)	949	919
Total assets	\$ 59,245	\$ 59,085
Liabilities and Equity		
Deposits: (Note 8)		
Interest bearing deposit accounts	\$ 27,123	\$ 25,360
Non-interest bearing deposit accounts	235	359
Total deposits	27,358	25,719
Borrowings: (Notes 6 and 8)		
Borrowings of consolidated securitization entities	14,642	15,362
Related party debt (Note 12)	8,062	8,959
Total borrowings	22,704	24,321
Accrued expenses and other liabilities	3,141	3,085
Total liabilities	\$ 53,203	\$ 53,125
Equity:		
Parent's net investment	\$ 6,052	\$ 5,973
Accumulated other comprehensive income (loss):		
Investment securities	(7)	(9)
Currency translation adjustments	(2)	(3)

Other	(1)	(1)
Total equity	6,042	5,960
Total liabilities and equity	\$ 59,245	\$ 59,085

(a) Other assets include restricted cash of \$168 million and \$76 million at March 31, 2014 and December 31, 2013 respectively.

See accompanying notes.

Table of Contents**Synchrony Financial and combined affiliates****Condensed Combined Statements of Changes in Equity****(Unaudited)**

<i>(\$ in millions)</i>	2014	2013
Beginning balance at January 1	\$ 5,960	\$ 4,582
Increases from net earnings	558	359
Change in Parent's net investment	(479)	682
Other comprehensive income (loss)	3	(4)
Total equity balance at March 31	\$ 6,042	\$ 5,619

See accompanying notes.

Table of Contents**Synchrony Financial and combined affiliates****Condensed Combined Statements of Cash Flows****(Unaudited)**

<i>For the three months ended March 31(\$ in millions)</i>	2014	2013
Cash flows operating activities		
Net earnings	\$ 558	\$ 359
Adjustments to reconcile net earnings to cash provided from operating activities		
Provision for loan losses	764	1,047
Deferred income taxes	20	(130)
Depreciation and amortization	31	27
Decrease in interest and fee receivable	137	21
Decrease (increase) in other assets	59	(45)
Increase in accrued expenses and other liabilities	204	295
All other operating activities	(1)	12
Cash from operating activities	1,772	1,586
Cash flows investing activities		
Maturity and redemption of investment securities	5	12
Purchases of investment securities	(31)	(23)
Net cash from principal business purchased (Note 3)		6,393
Net (increase) decrease in restricted cash	(92)	7
Net decrease in loans held for investment	2,184	1,754
All other investing activities	(201)	(17)
Cash from investing activities	1,865	8,126
Cash flows financing activities		
Increase in borrowings of consolidated securitization entities		
Proceeds from issuance of securitized debt		866
Maturities and repayment of securitized debt	(720)	(1,350)
Net decrease in related party debt	(897)	(2,911)
Net increase (decrease) in deposits	1,492	(3,003)
Net transfers (to) from Parent	(479)	682
All other financing activities	(21)	(4)
Cash used for financing activities	(625)	(5,720)
Increase in cash and equivalents	3,012	3,992
Cash and equivalents at beginning of period	2,319	1,334
Cash and equivalents at end of period	\$ 5,331	\$ 5,326

See accompanying notes.

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Synchrony Financial and combined affiliates

Notes to Condensed Combined Financial Statements (Unaudited)

NOTE 1. BUSINESS DESCRIPTION

Synchrony Financial (the Company) provides a range of credit products through programs it has established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers. The Company is a holding company for the legal entities that historically conducted General Electric Company's (GE) North American retail finance business, including GE Capital Retail Bank (the Bank). Substantially all of the assets and operations of that business were transferred to the Company in 2013, and the remaining assets will be transferred to the Company prior to the completion of the Company's proposed initial public offering of its common stock (the IPO). The Company currently is indirectly wholly-owned by General Electric Capital Corporation (GECC). See Note 1. *Formation of the Company*, to our 2013 annual combined financial statements for additional information on the formation of our company. We conduct our operations through a single business segment.

The Company changed its name in March 2014 to Synchrony Financial. References to the Company, we, us and our are to Synchrony Financial and its combined subsidiaries unless the context otherwise requires.

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
Basis of Presentation

The accompanying condensed combined financial statements were prepared in connection with the proposed IPO. These financial statements present the condensed combined results of operations, financial condition and cash flows of the Company. Our financial statements combine all of our subsidiaries (i.e., entities in which we have a controlling financial interest (typically because we hold a majority voting interest)) and certain accounts of GECC and its subsidiaries that were historically managed as part of our business.

The Condensed Combined Statements of Earnings reflect intercompany expense allocations made to us by GE and GECC for certain corporate functions and for shared services provided by GE and GECC. Where possible, these allocations were made on a specific identification basis, and in other cases these expenses were allocated by GE and GECC based on relative percentages of net operating costs or some other basis depending on the nature of the allocated cost. See Note 12. *Related Party Transactions and Parent's Net Investment* for further information on expenses allocated by GE and GECC.

The historical financial results in the condensed combined financial statements presented may not be indicative of the results that would have been achieved had we operated as a separate, stand-alone entity during those periods. The condensed combined financial statements presented do not reflect any changes that may occur in our financing and operations in connection with or as a result of the IPO. We believe that the condensed combined financial statements include all adjustments necessary for a fair presentation of the business.

Interim Period Presentation

The condensed combined financial statements and notes thereto are unaudited. These statements include all adjustments (consisting of normal recurring accruals) that we considered necessary to present a fair statement of our results of operations, financial position and cash flows. The results reported in these condensed combined financial statements should not be considered as necessarily indicative of results that may be expected for the entire year. These condensed combined financial statements should be read in conjunction with our 2013 annual combined financial statements and the related notes thereto included in this registration statement. We label our quarterly information using a calendar convention, that is, first quarter is labeled as ending on March 31, second quarter as ending on June 30, and third quarter as ending on September 30. It is the longstanding practice of GE

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and GECC, our parent companies, to establish interim quarterly closing dates using a fiscal calendar, which requires our business to close its books on a Sunday. The effects of this practice are modest and only exist within a reporting year.

Summary of Significant Accounting Policies

See Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*, to our 2013 annual combined financial statements for additional information on our significant accounting policies.

NOTE 3. ACQUISITIONS

Effective January 11, 2013, we acquired the deposit business of MetLife Bank, N.A. in a transaction that was accounted for using the acquisition method of accounting. In exchange for assuming \$6,441 million of deposit liabilities we received assets that included \$6,393 million of cash, \$19 million of core deposit intangibles, \$8 million of other intangibles and \$8 million of deferred tax assets. The \$13 million excess of the fair value of the consideration conveyed to the seller over the fair value of the net assets acquired was recognized as goodwill.

NOTE 4. INVESTMENT SECURITIES

All of our investment securities are classified as available-for-sale and are primarily held to comply with the Community Reinvestment Act (CRA). Our investment securities consist of the following:

(\$ in millions)	At March 31, 2014				At December 31, 2013			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Debt								
State and municipal	\$ 59	\$	\$ (6)	\$ 53	\$ 53	\$	\$ (7)	\$ 46
Residential mortgage-backed ^(a)	203	1	(7)	197	183	1	(9)	175
Equity	15			15	15			15
Total	\$ 277	\$ 1	\$ (13)	\$ 265	\$ 251	\$ 1	\$ (16)	\$ 236

(a) At March 31, 2014 and December 31, 2013 substantially all of our residential mortgage-backed securities relate to securities issued by government-sponsored entities and are pledged by the Bank as collateral to the Federal Reserve to secure Federal Reserve Discount Window advances. All residential mortgage-backed securities are collateralized by U.S. mortgages.

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The following table presents the estimated fair values and gross unrealized losses of our available-for-sale investment securities:

(\$ in millions)	In loss position for			
	Estimated fair value	Less than 12 months Gross unrealized losses	Estimated fair value	12 months or more Gross unrealized losses
At March 31, 2014				
Debt				
State and municipal	\$ 14	\$ (1)	\$ 20	\$ (5)
Residential mortgage-backed	107	(3)	49	(4)
Total	\$ 121	\$ (4)	\$ 69	\$ (9)
At December 31, 2013				
Debt				
State and municipal	\$ 23	\$ (2)	\$ 20	\$ (5)
Residential mortgage-backed	127	(7)	20	(2)
Equity	14			
Total	\$ 164	\$ (9)	\$ 40	\$ (7)

At March 31, 2014, none of our equity securities were in a gross unrealized loss position. We regularly review investment securities for impairment using both qualitative and quantitative criteria. We presently do not intend to sell our debt securities that are in an unrealized loss position and believe that it is not more likely than not that we will be required to sell these securities before recovery of our amortized cost.

There were no other-than-temporary impairments recognized for each of the three months ended March 31, 2014 and 2013.

Contractual Maturities of Investments in Available-for-Sale Debt Securities (excluding residential mortgage-backed securities)

At March 31, 2014 (\$ in millions)	Amortized cost	Estimated fair value
Due		
Within one year	\$	\$
After one year through five years	\$ 1	\$ 1
After five years through ten years	\$ 1	\$ 1
After ten years	\$ 57	\$ 51

We expect actual maturities to differ from contractual maturities because borrowers have the right to prepay certain obligations.

There were no significant realized gains or losses recognized for each of the three months ended March 31, 2014 and 2013.

Although we generally do not have the intent to sell any specific securities at March 31, 2014, in the ordinary course of managing our investment securities portfolio we may sell securities prior to their maturities for a variety of reasons, including diversification, credit quality, yield, liquidity requirements and funding obligations.

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Table of Contents**NOTE 5. LOAN RECEIVABLES AND ALLOWANCE FOR LOAN LOSSES**

(\$ in millions)	At March 31, 2014	At December 31, 2013
Credit cards	\$ 52,008	\$ 54,958
Consumer installment loans	963	965
Commercial credit products	1,299	1,317
Other	15	14
Total loan receivables, before allowance for losses ^{(a)(b)}	\$ 54,285	\$ 57,254

(a) Total loan receivables include \$25,184 million and \$26,071 million of restricted loans of consolidated securitization entities at March 31, 2014 and December 31, 2013, respectively. See Note 6. *Variable Interest Entities* for further information on these restricted loans.

(b) At March 31, 2014 and December 31, 2013, loan receivables included deferred expense of \$20 million and \$8 million, respectively.

Allowance for Loan Losses

(\$ in millions)	Balance at January 1, 2014	Provision charged to operations	Gross charge-offs	Recoveries	Balance at March 31, 2014
Credit cards	\$ 2,827	\$ 752	\$ (781)	\$ 137	\$ 2,935
Consumer installment loans	19	2	(7)	3	17
Commercial credit products	46	10	(12)	2	46
Other					
Total	\$ 2,892	\$ 764	\$ (800)	\$ 142	\$ 2,998

(\$ in millions)	Balance at January 1, 2013	Provision charged to operations	Gross charge-offs	Recoveries	Balance at March 31, 2013
Credit cards	\$ 2,174	\$ 1,016	\$ (732)	\$ 148	\$ 2,606
Consumer installment loans	62	8	(13)	6	63
Commercial credit products	38	23	(15)	3	49
Other					
Total	\$ 2,274	\$ 1,047	\$ (760)	\$ 157	\$ 2,718

Delinquent and Non-accrual Loans

<i>At March 31, 2014 (\$ in millions)</i>	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing	Total non-accruing
Credit cards	\$ 1,133	\$ 1,028	\$ 2,161	\$ 1,028	\$
Consumer installment loans	10	2	12		2
Commercial credit products	31	16	47	16	
Other					
Total delinquent loans	\$ 1,174	\$ 1,046	\$ 2,220	\$ 1,044	\$ 2
Percentage of total loan receivables ^(a)	2.2%	1.9%	4.1%	1.9%	0.0%

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<i>At December 31, 2013 (\$ in millions)</i>	30-89 days delinquent	90 or more days delinquent	Total past due	90 or more days delinquent and accruing	Total non-accruing
Credit cards	\$ 1,327	\$ 1,105	\$ 2,432	\$ 1,105	\$
Consumer installment loans	12	2	14		2
Commercial credit products	28	14	42	14	
Other					
Total delinquent loans	\$ 1,367	\$ 1,121	\$ 2,488	\$ 1,119	\$ 2
Percentage of total loan receivables ^(a)	2.4%	2.0%	4.3%	2.0%	0.0%

(a) Percentages are calculated based on period end balances.

Impaired Loans and Troubled Debt Restructurings

Most of our non-accrual loan receivables are smaller balance loans evaluated collectively, by portfolio, for impairment and therefore are outside the scope of the disclosure requirements for impaired loans. Accordingly, impaired loans represent restructured smaller balance homogeneous loans meeting the definition of a TDR. We use certain loan modification programs for borrowers experiencing financial difficulties. These loan modification programs include interest rate reductions and payment deferrals in excess of three months, which were not part of the terms of the original contract.

We have both internal and external loan modification programs. The internal loan modification programs include both temporary and permanent programs. For our credit card customers, the temporary hardship program primarily consists of a reduced minimum payment and an interest rate reduction, both lasting for a period no longer than 12 months. The permanent workout program involves changing the structure of the loan to a fixed payment loan with a maturity no longer than 60 months and reducing the interest rate on the loan. The permanent program does not normally provide for the forgiveness of unpaid principal, but may allow for the reversal of certain unpaid interest or fee assessments. We also make loan modifications for customers who request financial assistance through external sources, such as consumer credit counseling agency programs. These loans typically receive a reduced interest rate but continue to be subject to the original minimum payment terms and do not normally include waiver of unpaid principal, interest or fees. The following table provides information on loans that entered a loan modification program during the period:

<i>For the three months ended March 31 (\$ in millions)</i>	2014	2013
Credit cards	\$ 107	\$ 167
Consumer installment loans		11
Commercial credit products	2	3
Total	\$ 109	\$ 181

Loans classified as TDRs are recorded at their present value with impairment measured as the difference between the loan balance and the discounted present value of cash flows expected to be collected. Consistent with our

measurement of impairment of modified loans on a collective basis, the discount rate used for credit card loans is the original effective interest rate. Interest income from loans accounted for as TDRs is accounted for in the same manner as other accruing loans.

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The following table provides information about loans classified as TDRs and specific reserves. We do not evaluate credit card loans for impairment on an individual basis, but instead estimate an allowance for loan losses on a collective basis. As a result, there are no impaired loans for which there is no allowance.

<i>At March 31, 2014 (\$ in millions)</i>	Total recorded investment	Related allowance	Net recorded investment	Unpaid principal balance
Credit cards	\$ 775	\$ (232)	\$ 543	\$ 672
Consumer installment loans				
Commercial credit products	11	(4)	7	11
Total	\$ 786	\$ (236)	\$ 550	\$ 683

<i>At December 31, 2013 (\$ in millions)</i>	Total recorded investment	Related allowance	Net recorded investment	Unpaid principal balance
Credit cards	\$ 799	\$ (246)	\$ 553	\$ 692
Consumer installment loans				
Commercial credit products	12	(5)	7	12
Total	\$ 811	\$ (251)	\$ 560	\$ 704

Financial Effects of TDRs

As part of our loan modifications for borrowers experiencing financial difficulty, we may provide multiple concessions to minimize our economic loss and improve long-term loan performance and collectability. The following tables present the types and financial effects of loans modified and accounted for as TDRs during the period:

For the three months ended March 31 (\$ in millions)

	2014			2013		
	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Average recorded investment	Interest income recognized during period when loans were impaired	Interest income that would have been recorded with original terms	Average recorded investment
Credit cards	\$ 15	\$ 36	\$ 787	\$ 22	\$ 44	\$ 865
Consumer installment loans					1	64

Commercial credit products			12			10
Total	\$ 15	\$ 36	\$ 799	\$ 22	\$ 45	\$ 939

Payment Defaults

The following table presents the type, number and amount of loans accounted for as TDRs that enrolled in a modification plan and experienced a payment default during the period. A customer defaults from a modification program after two consecutive missed payments.

<i>For the three months ended March 31 (\$ in millions)</i>	2014		2013	
	Accounts defaulted	Loans defaulted	Accounts defaulted	Loans defaulted
Credit cards	15,180	\$ 29	20,765	\$ 37
Consumer installment loans			63	2
Commercial credit products	61		76	1
Total	15,241	\$ 29	20,904	\$ 40

Table of Contents**Credit Quality Indicators**

Our loan receivables portfolio includes both secured and unsecured loans. Secured loan receivables are largely comprised of consumer installment loans secured by equipment. Unsecured loan receivables are largely comprised of our open-ended revolving credit card and commercial loans. As part of our credit risk management activities, on an ongoing basis we assess overall credit quality by reviewing information related to the performance of a customer's account with us as well as information from credit bureaus, such as a Fair Isaac Corporation (FICO) or other credit scores, relating to the customer's broader credit performance. FICO scores are generally obtained at origination of the account and are refreshed, at a minimum quarterly, but could be as often as weekly, to assist in predicting customer behavior. Beginning in 2014, we refined the thresholds for our categories of FICO scores we use to better align to those used across our industry. We now categorize these credit scores into the following three credit score categories: (i) 661 or higher, which are considered the strongest credits; (ii) 601 to 660, considered moderate credit risk; and (iii) 600 or less, which are considered weaker credits. There are certain customer accounts for which a FICO score is not available where we use alternative sources to assess their credit and predict behavior. The following table provides the most recent FICO scores available for our customers at March 31, 2014 and December 31, 2013, as a percentage of each class of loan receivable. We have reclassified the thresholds at December 31, 2013 to conform to the current period classification. The table below excludes 0.9% and 1.1% of our total loan receivables balance at March 31, 2014 and December 31, 2013, respectively, which represents those customer accounts for which a FICO score is not available.

	March 31, 2014			December 31, 2013		
	661 or higher	601 to 660	600 or less	661 or higher	601 to 660	600 or less
Credit cards	70.7%	20.7%	8.6%	71.7%	20.0%	8.3%
Consumer installment loans	78.6%	15.5%	5.9%	78.2%	15.5%	6.3%
Commercial credit products	85.0%	9.5%	5.5%	85.3%	9.4%	5.3%

Unfunded Lending Commitments

We manage the potential risk in credit commitments by limiting the total amount of credit, both by individual customer and in total, by monitoring the size and maturity of our portfolios and by applying the same credit standards for all of our credit products. Unused credit card lines available to our customers totaled \$285 billion and \$277 billion at March 31, 2014 and December 31, 2013, respectively. While these amounts represented the total available unused credit card lines, we have not experienced and do not anticipate that all of our customers will access their entire available line at any given point in time.

Interest Income by Product

The following table provides additional information about our interest and fees on loans from our loan receivables:

<i>For the three months ended March 31 (\$ in millions)</i>	2014	2013
Credit cards	\$ 2,867	\$ 2,629
Consumer installment loans	23	33
Commercial credit products	38	37
Other		

Total	\$ 2,928	\$ 2,699
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NOTE 6. VARIABLE INTEREST ENTITIES

We use variable interest entities to securitize loans and arrange asset-backed financing in the ordinary course of business. Investors in these entities only have recourse to the assets owned by the entity and not to our general credit. We do not have implicit support arrangements with any VIE and we did not provide non-contractual

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support for previously transferred loan receivables to any VIE in the three months ended March 31, 2014 or 2013. Our VIEs are able to accept new loan receivables and arrange new asset-backed financings, consistent with the requirements and limitations on such activities placed on the VIE by existing investors. Once an account has been designated to a VIE, the contractual arrangements we have require all existing and future loans originated under such account to be transferred to the VIE. The amount of loan receivables held by our VIEs in excess of the minimum amount required under the asset-backed financing arrangements with investors may be removed by us under random removal of accounts provisions. All loan receivables held by a VIE are subject to claims of third-party investors.

In evaluating whether we have the power to direct the activities of a VIE that most significantly impact its economic performance, we consider the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and our decision-making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

In determining whether we have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, we evaluate all of our economic interests in the entity, regardless of form (debt, equity, management and servicing fees, and other contractual arrangements). This evaluation considers all relevant factors of the entity's design, including: the entity's capital structure, contractual rights to earnings (losses), subordination of our interests relative to those of other investors, as well as any other contractual arrangements that might exist that could have potential to be economically significant. The evaluation of each of these factors in reaching a conclusion about the potential significance of our economic interests is a matter that requires the exercise of professional judgment.

We consolidate our VIEs because we have the power to direct the activities that significantly affect the VIEs economic performance, typically because of our role as either servicer or manager for the VIE. The power to direct exists because of our role in the design and conduct of the servicing of the VIE's assets as well as directing certain affairs of the VIE, including determining whether and on what terms debt of the VIE will be issued.

The loan receivables in these entities have risks and characteristics similar to our other financing receivables and were underwritten to the same standard. Accordingly, the performance of these assets has been similar to our other comparable loan receivables; however, the blended performance of the pools of receivables in these entities reflects the eligibility criteria that we apply to determine which receivables are selected for transfer. Contractually the cash flows from these financing receivables must first be used to pay third-party debt holders as well as other expense of the entity. Excess cash flows are available to us. The creditors of these entities have no claim on our other assets.

The table below summarizes the assets and liabilities of our consolidated securitization VIEs described above.

<i>(\$ in millions)</i>	At March 31, 2014	At December 31, 2013
Assets		
Loans receivables, net ^(a)	\$ 23,888	\$ 24,766
Other assets	122	20
Total	\$ 24,010	\$ 24,786
Liabilities		

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Borrowings	\$	14,642	\$	15,362
Other liabilities		265		228
Total	\$	14,907	\$	15,590

- (a) Includes \$1,296 million and \$1,305 million of related allowance for loan losses resulting in gross restricted loans of \$25,184 million and \$26,071 million at March 31, 2014 and December 31, 2013, respectively.

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The balances presented above are net of intercompany balances and transactions that are eliminated in our condensed combined financial statements.

We provide servicing to these VIEs and are contractually permitted to commingle cash collected from customers on loan receivables owned by the VIEs with our own cash prior to payment to a VIE, provided GECC's short-term credit rating does not fall below A-1/P-1. During the three months ended March 31, 2014, we stopped commingling cash with certain of our VIEs. When not commingled with our own cash, collections are required to be placed into segregated accounts owned by each VIE in amounts that meet contractually specified minimum levels. These segregated funds are invested in cash and cash equivalents and are restricted as to their use, principally to pay maturing principal and interest on debt and the servicing fees. Collections above these minimum levels are remitted to us on a daily basis. At March 31, 2014, the segregated funds held by these VIEs were \$102 million and were classified as restricted cash and included as a component of other assets in our Condensed Combined Statement of Financial Position.

These VIEs also owe us amounts for purchased loan receivables and amounts due to us under the equity and other interests we have in the VIEs. At March 31, 2014 and December 31, 2013, the amounts we owed to these VIEs were \$811 million and \$4,071 million, respectively. At March 31, 2014 and December 31, 2013 the amounts owed to us by the VIEs were \$869 million and \$3,341 million, respectively.

Income (principally, interest and fees on loans) earned by our consolidated VIEs was \$1,268 million and \$1,299 million for the three months ended March 31, 2014 and 2013, respectively. Related expenses consisted primarily of provisions for loan losses of \$293 million and \$451 million for the three months ended March 31, 2014 and 2013, respectively, and interest expense of \$47 million and \$56 million for the three months ended March 31, 2014 and 2013, respectively. These amounts do not include intercompany transactions, principally fees and interest, which are eliminated in our condensed combined financial statements.

NOTE 7. INTANGIBLE ASSETS

	At March 31, 2014			At December 31, 2013		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
(\$ in millions)						
Customer-related	\$ 760	\$ (334)	\$ 426	\$ 586	\$ (312)	\$ 274
Capitalized software	70	(32)	38	55	(29)	26
Total	\$ 830	\$ (366)	\$ 464	\$ 641	\$ (341)	\$ 300

Customer-related intangible assets primarily relate to retail partner contract acquisitions and extensions, as well as purchased credit card relationships. During the three months ended March 31, 2014, we recorded additions to customer-related intangible assets subject to amortization of \$175 million primarily related to payments made to extend certain retail partner relationships. These additions had a weighted average amortizable life of 8 years.

Amortization expense related to retail partner contracts for the three months ended March 31, 2014 and 2013 was \$19 million and \$14 million, respectively, and is included as a component of marketing and business development expense in our Condensed Combined Statements of Earnings. All other amortization expense for the three months ended

March 31, 2014 and 2013 was \$6 million and \$5 million, respectively, and is included as a component of other expense in our Condensed Combined Statements of Earnings.

Table of Contents**NOTE 8. DEPOSITS AND BORROWINGS**

The tables below summarize the components of our deposits, borrowings of consolidated securitization entities and related party debt at March 31, 2014 and December 31, 2013. The amounts presented for outstanding borrowings include unamortized debt premiums and discounts.

Deposits <i>(\$ in millions)</i>	March 31, 2014		December 31, 2013	
	Amount	Average rate^(a)	Amount	Average rate^(a)
Interest bearing deposits ^{(b)(c)}	\$ 27,123	1.5%	\$ 25,360	1.7%
Non-interest bearing deposits	235		359	
Total deposits	\$ 27,358		\$ 25,719	

Borrowings <i>(\$ in millions)</i>	March 31, 2014		December 31, 2013	
	Amount	Average rate^(a)	Amount	Average rate^(a)
Borrowings of consolidated securitization entities ^(d)	\$ 14,642	1.3%	\$ 15,362	1.3%
Related party debt ^(e)	8,062	2.3%	8,959	1.7%
Total borrowings	\$ 22,704		\$ 24,321	

Liquidity

At March 31, 2014, interest-bearing time deposits and borrowings maturing for the remainder of 2014 and over the next four years were as follows:

<i>(\$ in millions)</i>	2014	2015	2016	2017	2018
Deposits ^(f)	\$ 7,490	\$ 6,422	\$ 2,023	\$ 2,230	\$ 1,756
Borrowings of consolidated securitization entities ^(d)	\$ 2,655	\$ 5,317	\$ 1,624	\$ 3,084	\$ 800
Related party debt ^(e)	\$ 22	\$ 105	\$	\$ 68	\$

- (a) Based on interest expense for the three months ended March 31, 2014 and the year ended December 31, 2013 and average deposits and borrowings balances.
- (b) At March 31, 2014 and December 31, 2013, interest bearing deposits included \$6,755 million and \$5,695 million, respectively, which represented large denomination certificates of \$100,000 or more.
- (c) At March 31, 2014 and December 31, 2013, \$651 million of deposits issued by the Bank were held by GECC and have been reflected as being held by our company and therefore eliminated in our condensed combined financial statements in accordance with the basis of presentation described in Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*.
- (d) We securitize credit card receivables as an additional source of funding. During the three months ended March 31, 2014, we amended the terms of \$1,967 million of borrowings, primarily to extend maturities and

increase the availability of secured borrowing commitments. As a result, our securitization entities had undrawn secured borrowing commitments of \$450 million at March 31, 2014. Subsequent to March 31, 2014, through the date of the issuance of these condensed combined financial statements, we extended the maturities of an additional \$3,350 million of borrowings that were scheduled to mature at various dates from 2014 through 2016, and increased our available undrawn secured borrowing commitments by \$4,350 million through a combination of amendments to our existing borrowings and new securitization agreements. During the three months ended March 31, 2013 we completed new debt issuances with proceeds of \$866 million. We did not have any new issuances in the three months ended March 31, 2014.

- (e) At March 31, 2014 and December 31, 2013, \$195 million of debt issued by one of our securitization entities was held by a GECC affiliate, of which \$127 million and \$22 million, respectively, was repayable within 12 months of the respective period end. The remaining balance of related party debt is classified as long-term debt on the basis that there are no stated repayment terms. See Note 12. *Related Party Transactions and Parent's Net Investment* for information about related party debt.

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- (f) In addition to interest-bearing time deposits, at March 31, 2014 we had \$1,169 million of broker network deposit sweeps procured through a program arranger who channels brokerage account deposits to us. Unless extended, those contracts will terminate in 2014 and 2015, representing \$262 million and \$907 million, respectively.

In addition, the Bank is a party to two separate revolving credit agreements, each with a different lender, and each of which provides us with an unsecured revolving line of credit of up to \$500 million. GECC has guaranteed our payment obligations under these agreements. There were no borrowings under these agreements for the periods presented.

NOTE 9. FAIR VALUE MEASUREMENTS

For a description of how we estimate fair value, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies*, in our 2013 annual combined financial statements.

The following tables present our assets and liabilities measured at fair value on a recurring basis. Included in the tables are debt and equity securities.

Recurring Fair Value Measurements

The following tables present our assets measured at fair value on a recurring basis.

<i>At March 31, 2014 (\$ in millions)</i>	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Debt				
State and municipal	\$	\$	\$ 53	\$ 53
Residential mortgage-backed		197		197
Equity	15			15
Total	\$ 15	\$ 197	\$ 53	\$ 265

<i>At December 31, 2013 (\$ in millions)</i>	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Debt				
State and municipal	\$	\$	\$ 46	\$ 46
Residential mortgage-backed		175		175
Equity	15			15
Total	\$ 15	\$ 175	\$ 46	\$ 236

For the three months ended March 31, 2014 and 2013, there were no securities transferred between Level 1 and Level 2 or between Level 2 and Level 3. At March 31, 2014 and December 31, 2013, we did not have any liabilities measured at fair value on a recurring basis.

Our Level 3 recurring fair value measurements relate to state and municipal debt instruments, which are valued using non-binding broker quotes or other third-party sources. For a description of our process to evaluate third-party pricing servicers, see Note 2. *Basis of Presentation and Summary of Significant Accounting Policies* in our 2013 annual combined financial statements. Our state and municipal debt securities are classified as available-for-sale with changes in fair value included in accumulated other comprehensive income.

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The following table presents the changes in our state and municipal debt instruments that are measured on a recurring basis for each of the three months ended March 31, 2014 and 2013.

Changes in Level 3 Instruments

<i>For the three months ended March 31 (\$ in millions)</i>	2014	2013
Balance at January 1	\$ 46	\$ 39
Net realized/unrealized gains (losses) included in accumulated other comprehensive income	1	
Purchases	8	1
Settlements	(2)	
Balance at March 31	\$ 53	\$ 40

Non-Recurring Fair Value Measurements

We hold certain assets that have been remeasured to fair value on a non-recurring basis during the three months ended and held at March 31, 2014 and 2013. These assets can include repossessed assets and cost method investments that are written down to fair value when they are impaired, as well as loans held-for-sale. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs. The assets held by us that were remeasured to fair value on a non-recurring basis, and the effects of the remeasurement to fair value, were not material for all periods presented.

Table of Contents**Financial Assets and Financial Liabilities Carried at Other than Fair Value**

<i>At March 31, 2014 (\$ in millions)</i>	Carrying value	Corresponding fair value amount			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 5,331	\$ 5,331	\$ 5,331	\$	\$
Other assets ^(a)	\$ 168	\$ 168	\$ 168	\$	\$
Financial assets carried at other than fair value:					
Loan receivables, net	\$ 51,287	\$ 57,148	\$	\$	\$ 57,148
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$ 27,358	\$ 27,680	\$	\$ 27,680	\$
Borrowings of consolidated securitization entities	\$ 14,642	\$ 14,650	\$	\$ 7,575	\$ 7,075
Related party debt ^(b)	\$ 8,062	\$ 207	\$	\$ 207	\$

<i>At December 31, 2013 (\$ in millions)</i>	Carrying value	Corresponding fair value amount			
		Total	Level 1	Level 2	Level 3
Financial Assets					
Financial assets for which carrying values equal or approximate fair value:					
Cash and equivalents	\$ 2,319	\$ 2,319	\$ 2,319	\$	\$
Other assets ^(a)	\$ 76	\$ 76	\$ 76	\$	\$
Financial assets carried at other than fair value:					
Loan receivables, net	\$ 54,362	\$ 60,344	\$	\$	\$ 60,344
Financial Liabilities					
Financial liabilities carried at other than fair value:					
Deposits	\$ 25,719	\$ 25,994	\$	\$ 25,994	\$
Borrowings of consolidated securitization entities	\$ 15,362	\$ 15,308	\$	\$ 8,206	\$ 7,102
Related party debt ^(b)	\$ 8,959	\$ 209	\$	\$ 209	\$

(a) This balance relates to restricted cash which is included in other assets.

(b) The fair value of the related party debt relates to the \$195 million of debt at March 31, 2014 and December 31, 2013 issued by one of our securitization entities which was held by a GECC affiliate. With respect to the remaining balance of related party debt, as there are no stated repayment terms or rates and the balance is an allocation of Parent's net investment, it is not meaningful to provide a corresponding fair value amount.

The following is a description of the valuation techniques used to estimate the fair values of the financial assets and liabilities carried at other than fair value.

Loan receivables, net

Loan receivables are recorded at historical cost, less reserves in our Condensed Combined Statements of Financial Position. In estimating the fair value for our loans we use a discounted future cash flow model. We use various inputs including estimated interest and fee income, payment rates, loss rates and discount rates (which consider current market interest rate data adjusted for credit risk and other factors) to estimate the fair values of loans.

Deposits

For demand deposits with no defined maturity and fixed-maturity certificates of deposit with one year or less remaining to maturity, carrying value approximates fair value due to the potentially liquid nature of these

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deposits. For fixed-maturity certificates of deposit with remaining maturities of more than one year, fair values are estimated by discounting expected future cash flows using market rates currently offered for deposits with similar remaining maturities.

Borrowings

Fair values of borrowings of consolidated securitization entities and related party debt issued by one of our securitization entities which was held by a GECC affiliate are based on valuation methodologies using current market interest rate data which are comparable to market quotes adjusted for our non-performance risk.

NOTE 10. REGULATORY AND CAPITAL ADEQUACY

As a savings and loan holding company, we are subject to extensive regulation, supervision and examination by the Federal Reserve Board. The Bank is a federally chartered savings association. As such, the Bank is subject to extensive regulation, supervision and examination by the Office of the Comptroller of the Currency (OCC), which is its primary regulator, and by the Consumer Financial Protection Bureau (CFPB). In addition, the Bank, as an insured depository institution, is supervised by the Federal Deposit Insurance Corporation.

As a savings and loan holding company, we historically have not been required to maintain any specific amount of minimum capital. Beginning as early as 2015, however, we expect that we will be subject to capital requirements similar to those applicable to the Bank. See Note 10. *Regulatory and Capital Adequacy* to our 2013 annual combined financial statements for additional information on these capital requirements.

Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could limit our business activities and have a material adverse effect on our financial statements. Under capital adequacy guidelines, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to average assets (as defined).

At March 31, 2014 and December 31, 2013, the Bank met all applicable requirements to be deemed well-capitalized pursuant to OCC regulations and for purposes of the Federal Deposit Insurance Act. To be categorized as well-capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based, and leverage ratios as set forth in the following table. There are no conditions or events subsequent to that date that management believes have changed the Bank's capital category.

The actual capital amounts and ratios and the required minimums of the Bank are as follows:

<i>At March 31, 2014 (\$ in millions)</i>	Actual	Minimum for capital adequacy purposes^(b)	Minimum to be well-capitalized under
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	prompt corrective action provisions					
	Amount	Ratio^(a)	Amount	Ratio^(a)	Amount	Ratio^(a)
Total risk-based capital	\$ 5,927	17.6%	\$ 2,689	8.0%	\$ 3,362	10.0%
Tier 1 risk-based capital	\$ 5,488	16.3%	\$ 1,345	4.0%	\$ 2,017	6.0%
Tier 1 leverage	\$ 5,488	14.0%	\$ 1,568	4.0%	\$ 1,960	5.0%

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At December 31, 2013 (\$ in millions)	Actual		Minimum for capital adequacy purposes ^(b)		Minimum to be well-capitalized under prompt corrective action provisions	
	Amount	Ratio ^(a)	Amount	Ratio ^(a)	Amount	Ratio ^(a)
Total risk-based capital	\$ 6,010	17.3%	\$ 2,784	8.0%	\$ 3,480	10.0%
Tier 1 risk-based capital	\$ 5,559	16.0%	\$ 1,392	4.0%	\$ 2,088	6.0%
Tier 1 leverage	\$ 5,559	14.9%	\$ 1,495	4.0%	\$ 1,869	5.0%

- (a) Represent Basel I capital ratios calculated for the Bank.
- (b) In addition to the Basel I requirements, under the Bank's Operating Agreement with the OCC entered into on January 11, 2013, the Bank must maintain minimum levels of capital as follows:

(\$ in millions)	At March 31, 2014		At December 31, 2013	
	Amount	Ratio	Amount	Ratio
Total risk-based capital	\$ 3,698	11.0%	\$ 3,828	11.0%
Tier 1 risk-based capital	\$ 2,353	7.0%	\$ 2,436	7.0%
Tier 1 leverage	\$ 2,352	6.0%	\$ 2,243	6.0%

The Bank may pay dividends on its stock, with consent or non-objection from the OCC and the Federal Reserve Board, among other things, if its regulatory capital would not thereby be reduced below the amount then required by the applicable regulatory capital requirements. The Bank met all regulatory capital adequacy requirements to which it was subject at March 31, 2014 and December 31, 2013.

NOTE 11. INCOME TAXES

We are included in the consolidated U.S. federal and state income tax returns of GE where applicable, but also file certain separate state and foreign income tax returns. The tax provision and current and deferred tax balances have been presented on a separate company basis as if we were a separate filer for tax purposes. In calculating the provision for interim income taxes, in accordance with Accounting Standards Codification (ASC) 740, *Income Taxes*, we apply an estimated annual effective tax rate to year-to-date ordinary income. At the end of each interim period, we estimate the effective tax rate expected to be applicable for the full fiscal year. We exclude and record discretely the tax effect of unusual or infrequently occurring items, including, changes in measurement of uncertain tax positions arising in prior periods, certain changes in judgment about valuation allowances and effects of changes in tax law or rates.

We recorded an income tax provision of \$332 million (37.3% effective income tax rate) for the three months ended March 31, 2014, compared with an income tax provision of \$214 million (37.4% effective income tax rate) for the three months ended March 31, 2013. The effective tax rate differs from the U.S. federal statutory tax rate of 35.0% primarily due to state income taxes. The effective tax rate for the three months ended March 31, 2014 differs from the effective tax rate in the same period in the previous year mainly due to an increase in foreign tax benefits, partially offset by an increase in certain non-deductible expenses.

The Company is under continuous examination by the IRS and tax authorities for various states as part of their audit of GE's tax returns. During 2013, the IRS completed the audit of GE's consolidated U.S. income tax returns for 2008 and 2009, except for certain issues that remain under examination. During 2011, the IRS completed the audit of GE's

consolidated U.S. income tax returns for 2006 and 2007, except for certain issues that remained under examination. At March 31, 2014, the IRS was auditing GE's consolidated U.S. income tax returns for 2010 and 2011. We are under examinations in various states as part of the GE filing group covering tax years 2006 to 2011 as part of the audit of GE's tax returns and in certain separate return states for tax years 2010 and 2011. We believe that there are no other jurisdictions in which the outcome of unresolved issues or claims is likely to be material to our results of operations, financial positions or cash flows. We further believe that we have made adequate provision for all income tax uncertainties that could result from such examinations.

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At March 31, 2014 and December 31, 2013, our unrecognized tax benefits, excluding related interest expense and penalties, were \$216 million and \$202 million, respectively, of which \$140 million and \$131 million, respectively, if recognized, would reduce the annual effective rate. Included in the amount of unrecognized tax benefits are certain items that would not affect the effective tax rate if they were recognized in our Condensed Combined Statements of Earnings. These unrecognized items include the portion of gross state and local unrecognized tax benefits that would be offset by the benefit from associated U.S. federal income tax deductions. It is reasonably possible that the gross balance of unrecognized tax benefits may decrease by \$29 million within the next 12 months.

NOTE 12. RELATED PARTY TRANSACTIONS AND PARENT'S NET INVESTMENT

GE and its subsidiaries, including GECC, historically have provided a variety of services and funding to us. The following table sets forth the direct costs, indirect costs and interest expenses related to services and funding provided by GE for the periods indicated.

For the three months ended March 31 (\$ in millions)

	2014	2013
Direct costs ^(a)	\$ 64	\$ 47
Indirect costs ^(a)	61	53
Interest expense ^(b)	47	43
Total expenses for services and funding provided by GECC	\$ 172	\$ 143

(a) Direct and indirect costs are included in the other expense line items in our Condensed Combined Statements of Earnings.

(b) Included in interest expense in our Condensed Combined Statements of Earnings.

Direct Costs. Direct costs are costs associated with either services provided directly to us that are centralized at GE or services provided to us by third parties under contracts entered into by GE. These services include the provision of employee benefits and benefit administration; information technology services; telecommunication services; and other services, including leases for vehicles, equipment and facilities. GE allocates the costs associated with these services to us using established allocation methodologies. See Note 14. *Related Party Transactions and Parent's Net Investment* to our 2013 annual combined financial statements for additional information on these allocation methodologies.

Indirect Costs. GE and GECC allocate costs to us related to corporate overhead that directly or indirectly benefits our business. These assessments relate to information technology, insurance coverage, tax services provided, executive incentive payments, advertising and branding and other functional support. These allocations are determined primarily using our percentage of GECC's relevant expenses.

Interest Expense. We use related party debt provided by GECC to meet our funding requirements after taking into account deposits held at the Bank, funding from securitized financings and cash generated from our operations. GECC assesses us an interest cost on a portion of the Parent's total investment and we have reflected that portion as related party debt in the Condensed Combined Statements of Financial Position. Interest cost is assessed to us from GECC's centralized treasury function based on fixed and floating interest rates, plus funding related costs that include charges

for liquidity and other treasury costs. We incurred borrowing costs for related party debt of \$47 million and \$43 million for the three months ended March 31, 2014 and 2013, respectively. Our average cost of funds for related party debt was 2.3% and 2.1% for the three months ended March 31, 2014 and 2013, respectively.

Other Related Party Transactions

In addition to the related party activities described above, we also are party to certain cash management and payment processing arrangements with GE and GECC. Historically, most of our cash and equivalents that are not

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held for purposes of funding the Bank's liquidity requirements has been transferred to GECC on a daily basis and GECC subsequently funds the operating and investing activities of our business as needed. This does not impact our Condensed Combined Statements of Earnings. During the three months ended March 31, 2014, we began to retain additional cash and equivalents in excess of the minimum amounts required for the Bank's liquidity requirements, in preparation for our planned IPO.

GE also makes payments for our payroll for our employees, corporate credit card bills and freight expenses through a centralized payment system and we reimburse GE in full for the amounts paid. Such expenses are included in other expense across the relevant categories in our Condensed Combined Statements of Earnings and are directly attributable to our business and our employees.

Parent's Net Investment

The remainder of our Parent's total investment, in excess of our related party debt, is reflected as equity under the caption, Parent's net investment, in our Condensed Combined Statements of Financial Position.

NOTE 13. LEGAL PROCEEDINGS AND REGULATORY MATTERS

In the normal course of business, from time to time, we have been named as a defendant in various legal proceedings, including arbitrations, class actions and other litigation, arising in connection with our business activities. Certain of the legal actions include claims for substantial compensatory and/or punitive damages, or claims for indeterminate amounts of damages. We are also involved, from time to time, in reviews, investigations and proceedings (both formal and informal) by governmental agencies regarding our business (collectively, regulatory matters), which could subject us to significant fines, penalties, obligations to change our business practices or other requirements resulting in increased expenses, diminished income and damage to our reputation. We contest liability and/or the amount of damages as appropriate in each pending matter. In accordance with applicable accounting guidance, we establish an accrued liability for legal and regulatory matters when those matters present loss contingencies which are both probable and estimable.

Legal proceedings and regulatory matters are subject to many uncertain factors that generally cannot be predicted with assurance, however, and we may be exposed to losses in excess of any amounts accrued.

For some matters, we are able to determine that an estimated loss, while not probable, is reasonably possible. For other matters, including those that have not yet progressed through discovery and/or where important factual information and legal issues are unresolved, we are unable to make such an estimate. We currently estimate that the reasonably possible losses for legal proceedings and regulatory matters, whether in excess of a related accrued liability or where there is no accrued liability, and for which we are able to estimate a possible loss, are immaterial. This represents management's estimate of possible loss with respect to these matters and is based on currently available information. This estimate of possible loss does not represent our maximum loss exposure. The legal proceedings and regulatory matters underlying the estimate will change from time to time and actual results may vary significantly from current estimates.

Our estimate of reasonably possible losses involves significant judgment, given the varying stages of the proceedings, the existence of numerous yet to be resolved issues, the breadth of the claims (often spanning multiple years), unspecified damages and/or the novelty of the legal issues presented. Based on our current knowledge, we do not believe that we are a party to any pending legal proceeding or regulatory matters that would have a material adverse effect on our combined financial condition or liquidity. However, in light of the uncertainties involved in such

matters, the ultimate outcome of a particular matter could be material to our operating results for a particular period depending on, among other factors, the size of the loss or liability imposed and the level of our earnings for that period, and could adversely affect our business and reputation.

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Below is a description of certain of our legal proceedings and regulatory matters.

CFPB and Attorney General Matters

On December 10, 2013, we entered into a Consent Order with the CFPB relating to our CareCredit platform, which requires us to pay up to \$34.1 million to qualifying customers, provide additional training and monitoring of our CareCredit partners, include provisions in agreements with our CareCredit partners prohibiting charges for certain services not yet rendered, make changes to certain consumer disclosures, application procedures and procedures for resolution of customer complaints, and terminate CareCredit partners that have chargeback rates in excess of certain thresholds. Some of the business practice changes required by the Consent Order are similar to requirements in an Assurance of Discontinuance that we entered with the Attorney General for the State of New York on June 3, 2013.

Our settlements with the CFPB and the New York Attorney General do not preclude other regulators or state attorneys general from seeking additional monetary or injunctive relief with respect to CareCredit. In this regard, in 2010 and 2012, respectively, we received formal requests for information from the Attorneys General for the states of Minnesota and New Jersey. We have cooperated fully with these inquiries.

Starting in December 2012 and continuing into 2013, the CFPB conducted a review of the Bank's debt cancellation products and its marketing practices in its telesales channel related to those products. We are currently in discussions with the CFPB relating to this review. We cannot predict the final outcome of the discussions and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

In 2012, the Bank discovered through an audit of its collection operations, potential violations of the Equal Credit Opportunity Act where certain Spanish-speaking customers and customers residing in Puerto Rico were excluded from certain statement credit and settlement offers that were made to certain delinquent customers. We provided information to the CFPB in connection with this matter and have been in discussions with them. This matter has been referred to the Department of Justice, which has initiated a civil investigation. We cannot predict the final outcome of the discussions or the investigation, and the resolution could include customer remediation in addition to what we have voluntarily undertaken, as well as civil money penalties and required changes to how the Bank currently conducts its business.

Other Matters

On September 27, 2013, Secure Access LLC, filed a complaint against the Bank as well as other defendants in the U.S. District Court for the Eastern District of Texas, for patent infringement related to the Bank's alleged use of website authenticity technology referred to as Safe Keys. The complaint seeks unspecified damages. On April 14, 2014, the Bank filed an answer to the complaint, and on April 17, 2014, the Bank filed a motion to stay the case pending resolution of petitions filed by other parties with the U.S. Patent Office concerning the Secure Access patent at issue in the pending litigation.

The Bank is a defendant in four putative class actions alleging claims under the federal Telephone Consumer Protection Act (TCPA), where the plaintiffs assert that they received calls on their cellular telephones relating to accounts not belonging to them. In each case, the complaints allege that the Bank placed calls to consumers by an automated dialing system or using a pre-recorded message or automated voice without their consent, and seek up to \$1,500 for each violation. The amount of damages sought in the aggregate is unspecified. *Abdeljalil et al. v. GE Capital Retail Bank* was filed on August 22, 2012 in the U.S. District Court for the Southern District of California, originally naming GECC as the defendant. In August 2013, the Court denied without prejudice GECC's motion to

dismiss the class allegations. GECC subsequently was dismissed and the plaintiffs amended the complaint to name the Bank as the defendant. On April 28, 2014, plaintiff filed a motion to certify the alleged

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class. *Travaglio et al. v. GE Capital Retail Bank and Allied Interstate LLC* was filed on January 17, 2014 in the U.S. District Court for the Middle District of Florida. On April 16, 2014, the Court stayed the action pending the disposition of GE Capital's motion to compel arbitration, which was filed on April 25, 2014, along with a motion to dismiss and strike the class allegations. On May 9, 2014, the Court stayed all further proceedings, all pending motions, and all case deadlines while the parties participate in mediation proceedings. *Cowan v. GE Capital Retail Bank* was filed on May 14, 2014 in the U.S. District Court for the District of Connecticut. *Fitzhenry v. Lowe's Companies Inc. and GE Capital Retail Bank* was filed on May 29, 2014 in the U.S. District Court for the District of South Carolina.

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\$3,000,000,000

\$500,000,000 % Senior Notes due 2017

\$750,000,000 % Senior Notes due 2019

\$750,000,000 % Senior Notes due 2021

\$1,000,000,000 % Senior Notes due 2024

Prospectus

, 2014

Through and including _____, 2014 (the 40th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The expenses, other than underwriting commissions, expected to be incurred in connection with the issuance and distribution of the securities being registered under this Registration Statement are estimated to be as follows:

Securities and Exchange Commission Registration Fee	\$ 386,400
Printing and Engraving	600,000
Legal Fees and Expenses	300,000
Accounting Fees and Expenses	250,000
Miscellaneous	50,000
Total	\$ 1,586,400

Item 14. Indemnification of Directors and Officers

Section 145 of the General Corporation Law of the state of Delaware ("DGCL") provides that a corporation may indemnify any person, including directors and officers, as well as employees and agents, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent of such corporation. Section 145 of the DGCL provides that the rights contained therein are not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for payments of unlawful dividends or unlawful stock repurchases or (iv) for any transactions from which the director derived an improper personal benefit.

The certificate of incorporation of Synchrony (the "Registrant") provides that the Registrant will indemnify its directors and officers to the fullest extent permitted by law and that, to the fullest extent permitted by the law, no director shall be liable for monetary damages to the Registrant or its stockholders for any breach of fiduciary duty as a director.

General Electric Company ("GE"), the ultimate parent of the Registrant, maintains liability insurance for its directors and officers and for the directors and officers of its majority-owned subsidiaries, including the Registrant. This insurance provides for coverage, subject to certain exceptions, against non-indemnifiable loss from claims made against directors and officers in their capacity as such, including claims under the federal securities laws. Prior to the Registrant's initial public offering, the Registrant obtained additional liability insurance for its directors and officers. In addition, the Registrant has entered into indemnification agreements with its directors, officers and certain key employees which require the Registrant, among other things, to indemnify such persons against certain liabilities

which may arise by reason of their status or service as a director, officer or employee and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. In addition, the proposed form of underwriting agreement filed as Exhibit 1.1 to this Registration Statement provides for indemnification of us, our directors, our officers who sign this Registration Statement and certain persons who control us by the underwriters against certain liabilities.

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Table of Contents**Item 15. Recent Sales of Unregistered Securities**

On August 2, 2013, the Registrant issued 99,000 additional shares of common stock to its sole shareholder GE Consumer Finance, Inc. (GECFI) as part of a recapitalization transaction whereby 99 shares of common stock were issued for every share of common stock then outstanding for a total of 100,000 shares thereafter outstanding. On August 5, 2013, the Registrant issued 77,000 shares of common stock to General Electric Capital Corporation (GECC) as consideration for GECC 's contribution to the Registrant of 100% of the outstanding stock of RFS Holding Inc. and its subsidiaries. On August 12, 2013, the Registrant issued 154 shares of common stock to GECFI as consideration for GECFI 's contribution to the Registrant of substantially all outstanding stock of GECRF Global Services Philippines, Inc. On September 23, 2013, the Registrant issued 404 shares of common stock to GECFI 's as consideration for GECFI 's contribution to the Registrant of 4,040 shares of stock of Retail Finance International Holdings, Inc. (RIH). On September 23, 2013, the Registrant issued 88 shares of common stock to GECC as consideration for GECC 's contribution to the Registrant of 875 shares of RIH, constituting all of the outstanding stock of RIH not already owned by the Registrant. Each of these issuances were made pursuant to the exemption provided by Section 4(a)(2) of the Securities Act of 1933. Some of these issuances were made subject to adjustment pending final valuation reports; and an aggregate of 43,624 shares of common stock were surrendered back to the Registrant in connection with such adjustment.

On July 16, 2014, the Registrant effected a stock-split pursuant to which the 134,022 shares of common stock then outstanding were reclassified into an aggregate of 705,270,833 shares of common stock. The issuance did not constitute a sale under the registration requirements of the Securities Act of 1933.

On July 31, 2014, in connection with its initial public offering, the Registrant issued 4.8 million stock options and 3.2 million stock units with approximately 8 million underlying shares of common stock to certain employees pursuant to founders grants under the Synchrony 2014 Long-Term Incentive Plan. These issuances were made pursuant to the exemption provided by Rule 701 under the Securities Act of 1933.

Item 16. Exhibits

Number	Description
1.1**	Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation of Synchrony Financial (incorporated by reference to Exhibit 3.1 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
3.2	Amended and Restated Bylaws of Synchrony Financial (incorporated by reference to Exhibit 3.2 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
4.1**	Form of Indenture between Synchrony Financial and The Bank of New York Mellon, as Trustee
4.2**	Form of First Supplemental Indenture between Synchrony Financial and The Bank of New York Mellon, as Trustee
5.1**	Opinion of Weil, Gotshal & Manges LLP
10.1**	Master Agreement, dated as of July 30, 2014, among General Electric Capital Corporation,

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Synchrony Financial, and, solely for purposes of certain sections and articles set forth therein,
General Electric Company

- 10.2** Form of Transitional Services Agreement
- 10.3** Form of Registration Rights Agreement
- 10.4** Form of Tax Sharing and Separation Agreement
- 10.5** Form of Employee Matters Agreement

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Number	Description
10.6**	Form of Transitional Trademark License Agreement
10.7**	Form of Intellectual Property Cross License Agreement
10.8**	Credit Agreement, dated as of July 30, 2014, among Synchrony Financial, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other Lenders party thereto
10.9**	Credit Agreement, dated as of July 30, 2014, among Synchrony Financial, as borrower, General Electric Capital Corporation, as administrative agent, and the other Lenders party thereto
10.10**	Form of Synchrony 2014 Long-Term Incentive Plan
10.11**	Form of agreement for awards under Synchrony 2014 Long-Term Incentive Plan
10.12**	Form of Transaction Award Agreement, by and between GE Capital Retail Bank/GE Capital Retail Finance, Inc. and each of Margaret M. Keane, Brian D. Doubles, Jonathan S. Mothner, Thomas M. Quindlen and Glenn P. Marino
10.13	Operating Agreement, dated as of January 11, 2013, between GE Capital Retail Bank and the Office of the Comptroller of the Currency (incorporated by reference to Exhibit 10.13 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.14	Capital Assurance and Liquidity Maintenance Agreement, dated as of January 11, 2013, among GE Capital Retail Bank, General Electric Capital Corporation and GE Consumer Finance, Inc. (incorporated by reference to Exhibit 10.14 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.15	Master Indenture, dated as of September 25, 2003, between GE Capital Credit Card Master Note Trust, as Issuer and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.16	Omnibus Amendment No. 1 to Securitization Documents, dated as of February 9, 2004, among RFS Holding, L.L.C., RFS Funding Trust, GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia), GE Capital Credit Card Master Note Trust, Deutsche Bank Trust Company Delaware, as Trustee of RFS Funding Trust, RFS Holding, Inc. and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.16 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.17	Second Amendment to Master Indenture, dated as of June 17, 2004, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.18	Third Amendment to Master Indenture, dated as of August 31, 2006, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.19	

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Fourth Amendment to Master Indenture, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 3, 2007)

10.20

Fifth Amendment to Master Indenture, dated as of May 22, 2008, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)

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Number	Description
10.21	Sixth Amendment to Master Indenture, dated as of August 7, 2009, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on August 7, 2009)
10.22	Seventh Amendment to Master Indenture, dated as of January 21, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on January 21, 2014)
10.23	Eighth Amendment to Master Indenture and Omnibus Supplement to Specified Indenture Supplements, dated as of March 11, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.24**	Form of VFN Indenture Supplement, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas
10.25**	Form of Loan Agreement (VFN Series, Class A), among GE Capital Credit Card Master Note Trust, the Lenders party thereto from time to time, and the Managing Agents party thereto from time to time
10.26	Trust Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and The Bank of New York (Delaware) (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.27	First Amendment to Trust Agreement, dated as of January 21, 2014, between RFS Holding, L.L.C. and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 4.2 of the current Form 8-K filed by GE Capital Credit Master Note Trust and RFS Holding, L.L.C., on January 21, 2014)
10.28	Custody and Control Agreement, dated as of September 25, 2003 by and among Deutsche Bank Trust Company of Americas, in its capacity as Custodian and in its capacity as Indenture Trustee, and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.8 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.29	Receivables Sale Agreement, dated as of June 27, 2003, between GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.9 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.30	RSA Assumption Agreement and Second Amendment to Receivables Sale Agreement, dated as of February 7, 2005, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.31	Third Amendment to Receivables Sale Agreement, dated as of December 21, 2006, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)

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Number	Description
10.32	Fourth Amendment to Receivables Sale Agreement, dated as of May 21, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.33	Designation of Removed Accounts and Fifth Amendment to Receivables Sale Agreement, dated as of December 29, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.34	Designation of Removed Accounts and Sixth Amendment to Receivables Sale Agreement, dated as of February 26, 2009, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.35	Seventh Amendment to Receivables Sale Agreement, dated as of November 23, 2010, between GE Capital Retail Bank (formerly known as GE Money Bank), and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2010)
10.36	Eighth Amendment to Receivables Sale Agreement, dated as of March 20, 2012, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.37	Ninth Amendment to Receivables Sale Agreement, dated as of March 11, 2014, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.38	Transfer Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.12 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.39	Second Amendment to Transfer Agreement, dated as of June 17, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.40	Third Amendment to Transfer Agreement, dated as of November 21, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2004)
10.41	Fourth Amendment to Transfer Agreement, dated as of August 31, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.42	Fifth Amendment to Transfer Agreement, dated as of December 21, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the

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current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)

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Number	Description
10.43	Sixth Amendment to Transfer Agreement, dated as of May 21, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.44	Reassignment of Receivables in Removed Accounts and Seventh Amendment to Transfer Agreement, dated as of December 29, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.45	Reassignment No. 4 of Receivables in Removed Accounts and Eighth Amendment to Transfer Agreement, dated as of February 26, 2009, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.46	Ninth Amendment to Transfer Agreement, dated as of March 31, 2010, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 31, 2010)
10.47	Tenth Amendment to Transfer Agreement, dated as of March 20, 2012, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.48	Servicing Agreement, dated as of June 27, 2003, by and among RFS Funding Trust, GE Capital Credit Card Master Note Trust and General Electric Capital Corporation, successor to GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) (incorporated by reference to Exhibit 4.13 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.49	Servicing Assumption Agreement, dated as of February 7, 2005, by GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.50	First Amendment to Servicing Agreement, dated as of May 22, 2006, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 25, 2006)
10.51	Second Amendment to Servicing Agreement, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on June 28, 2007)
10.52	Instrument of Resignation, Appointment and Acceptance and Third Amendment to Servicing Agreement, dated as of May 22, 2008, by and among GE Capital Credit Card Master Note Trust, GE Capital Retail Bank (formerly known as GE Money Bank) and General Electric Capital Corporation (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit

Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)

10.53

Administration Agreement, dated as of September 25, 2003, among GE Capital Credit Card Master Note Trust, General Electric Capital Corporation, as Administrator, and The Bank of New York (Delaware), not in its individual capacity but solely as Trustee (incorporated by reference to Exhibit 4.14 of Amendment No. 1 to Form S-3 Registration Statement filed on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

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Number	Description
10.54	First Amendment to Administration Agreement, dated as of May 4, 2009, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 6, 2009)
10.55	Master Indenture, dated as of February 29, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.55 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.56	Supplement No.1 to Master Indenture, dated as of September 19, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.56 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.57	Supplement No.2 to Master Indenture, dated as of March 21, 2014, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.57 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.58**	Form of Indenture Supplement, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.59**	Form of Loan Agreement, among GE Sales Finance Master Trust, the Lenders party thereto from time to time, and the Lender Group Agents for the Lender Groups party thereto from time to time
10.60	Amended and Restated Trust Agreement of GE Sales Finance Master Trust, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 10.60 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.61	Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.61 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.62	First Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 17, 2012, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.62 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.63	Second Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 5, 2013, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.63 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.64	Participation Interest Sale Agreement, dated as of February 29, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.64 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.65	

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First Amendment to Participation Interest Sale Agreement, dated as of September 19, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.65 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))

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Number	Description
10.66	Second Amendment to Participation Interest Sale Agreement, dated as of March 21, 2014, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.66 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.67	Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.67 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.68	First Amendment to Transfer Agreement, dated as of September 19, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.68 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.69	Second Amendment to Transfer Agreement, dated as of March 21, 2014, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.69 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.70	Servicing Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.70 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.71	Administration Agreement, dated as of February 29, 2012, between GE Sales Finance Master Trust and GE Capital Retail Bank (incorporated by reference to Exhibit 10.71 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.72	First Amended and Restated Technology Sourcing Agreement, dated as of December 10, 1998, between Retailer Credit Services, Inc. and First Data Resources, Inc., as amended (incorporated by reference to Exhibit 10.72 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.73	First Amended and Restated Production Services Agreement, dated as of December 1, 2009, by and between Retailer Credit Services, Inc. and First Data Resources, LLC, as amended (incorporated by reference to Exhibit 10.73 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.74	Stock Contribution Agreement, dated as of April 1, 2013, between GE Capital Retail Finance Corporation and GE Consumer Finance, Inc. (incorporated by reference to Exhibit 10.74 of Amendment No. 3 to Form S-1 Registration Statement filed by Synchrony Financial on June 6, 2014 (No. 333-194528))
10.75	Stock Contribution Agreement, dated as of August 5, 2013, between GE Capital Retail Finance Corporation and General Electric Capital Corporation (incorporated by reference to Exhibit 10.75 of Amendment No. 3 to Form S-1 Registration Statement filed by Synchrony Financial on June 6, 2014 (No. 333-194528))
10.76	General Electric Company 2007 Long-Term Incentive Plan (as amended and restated April 25, 2012) (incorporated by reference to Exhibit 99.1 of the Registration Statement on Form S-8 filed by General Electric Company on May 4, 2012 (No. 333-181177))
10.77	

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Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan, as amended January 1, 2009 (incorporated by reference to Exhibit 10(n) of the annual report on Form 10-K filed by General Electric Company on February 18, 2009)

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Number	Description
10.78	Form of Agreement for Periodic Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan (incorporated by reference to Exhibit 10.4 of the current report on Form 8-K filed by General Electric Company on April 27, 2007)
10.79	Form of Agreement for Long Term Performance Award Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan (as amended and restated April 25, 2012) (incorporated by reference to Exhibit 10(a) of the quarterly report on Form 10-Q filed by General Electric Company on July 26, 2013)
10.80	General Electric Supplementary Pension Plan, as amended effective January 1, 2011 (incorporated by reference to Exhibit 10(g) of the annual report on Form 10-K filed by General Electric Company on February 25, 2011)
10.81	GE Excess Benefits Plan, effective January 1, 2009 (incorporated by reference to Exhibit 10(k) to the annual report on Form 10-K filed by General Electric Company on February 18, 2009)
10.82	General Electric Leadership Life Insurance Program, effective January 1, 1994 (incorporated by reference to Exhibit 10(r) to the annual report on Form 10-K filed by General Electric Company on March 11, 1994)
10.83	General Electric Supplemental Life Insurance Program, as amended February 8, 1991 (incorporated by reference to Exhibit 10(i) to the annual report on Form 10-K filed by General Electric Company for the fiscal year ended December 31, 1990)
10.84	General Electric 2006 Executive Deferred Salary Plan, as amended January 1, 2009 (incorporated by reference to Exhibit 10(l) to the annual report on Form 10-K filed by General Electric Company on February 18, 2009)
10.85	Amendment to Nonqualified Deferred Compensation Plans, dated as of December 14, 2004 (incorporated by reference to Exhibit 10(w) to the annual report on Form 10-K filed by General Electric Company on March 1, 2005)
10.86	General Electric Financial Planning Program, as amended through September 1993 (incorporated by reference to Exhibit 10(h) to the annual report on Form 10-K filed by General Electric Company on March 11, 1994)
10.87	GE Capital Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.87 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.88	Assumption Agreement, dated as of June 20, 2014, by and between General Electric Capital Corporation and Synchrony Financial (incorporated by reference to Exhibit 10.88 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.89**	Form of Indemnification Agreement for directors, executive officers and key employees
10.90**	Sub-Servicing Agreement, dated as of July 30, 2014, between Synchrony Financial and General Electric Capital Corporation
10.91	Synchrony Financial Non-Employee Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.91 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 33-194528))

- 10.92 Fourth Amendment to Servicing Agreement, dated as of July 16, 2014, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.14 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust, RFS Holding, L.L.C. and Synchrony Bank on July 16, 2014)

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Number	Description
10.93	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. (Macy's) and General Electric Capital Corporation (incorporated by reference to Exhibit 10.93 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.94	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. and General Electric Capital Corporation (incorporated by reference to Exhibit 10.94 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.95	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. (Macy's) and GECFS, Inc. (Macy's) (incorporated by reference to Exhibit 10.95 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.96	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. and GECFS, Inc. (Card Services) (incorporated by reference to Exhibit 10.96 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.97	Amendment No. 1 to Revolving Credit Agreement, dated as of October 6, 1997, between GE Capital Consumer Card Co. and GECFS, Inc. (Card Services) (incorporated by reference to Exhibit 10.97 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.98	Revolving Credit Agreement, dated as of May 1996, between Monogram Credit Card Bank of Georgia and General Electric Capital Corporation (incorporated by reference to Exhibit 10.98 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.99	Amendment No. 1 to Revolving Credit Agreement, dated as of April 18, 2003, between Monogram Credit Card Bank of Georgia and General Electric Capital Corporation (incorporated by reference to Exhibit 10.99 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.100	Amendment to Revolving Credit Agreements, dated as of October 1, 2008, between GE Money Bank and General Electric Capital Corporation (incorporated by reference to Exhibit 10.100 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.101	Amendment to Revolving Credit Agreements, dated as of June 13, 2012, between GE Capital Retail Bank and General Electric Capital Corporation (incorporated by reference to Exhibit 10.101 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.102	Letter, dated as of March 20, 2013, from General Electric Capital Corporation to GE Capital Retail Bank relating to revolving credit agreements (incorporated by reference to Exhibit 10.102 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
12.1**	Statement of Ratio of Earnings to Fixed Charges
21.1**	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP

- 23.2 Consent of Weil, Gotshal & Manges LLP (included in Exhibit 5.1)
- 24.1 Powers of Attorney (included on the signature page to Amendment No. 1 to the Form S-1 Registration Statement filed by Synchrony Financial on August 1, 2014 (No. 333-197244) and on the signature page to the Form S-1 Registration Statement filed by Synchrony Financial on July 3, 2014 (No. 333-197244))
- 25.1** Statement of Eligibility of The Bank of New York Mellon, as trustee, with respect to senior notes

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* To be filed by amendment.

** Previously filed.

Confidential treatment requested as to certain portions, which portions have been provided separately to the Securities and Exchange Commission.

Item 17. Undertakings

The undersigned hereby undertakes as follows:

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act, and will be governed by the final adjudication of such issue.

(b)(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by us pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused its registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Stamford, Connecticut on August 4, 2014.

SYNCHRONY FINANCIAL

By: /s/ Margaret M. Keane
 Name: Margaret M. Keane
 President and Chief Executive
 Title: Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on August 4, 2014:

Signature	Title
/s/ Margaret M. Keane Margaret M. Keane	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Brian D. Doubles Brian D. Doubles	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
/s/ David P. Melito David P. Melito	Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)
*	Director
William H. Cary	
*	Director
Daniel O. Colao	
*	Director
Alexander Dimitrief	
*	Director
Roy A. Guthrie	

*

Richard C. Hartnack Director

*

Anne Kennelly Kratky Director

*

Jeffrey G. Naylor Director

*

Dmitri L. Stockton Director

/s/ Jonathan S. Mothner

Jonathan S. Mothner

Attorney-in-fact

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Number	Description
1.1**	Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation of Synchrony Financial (incorporated by reference to Exhibit 3.1 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
3.2	Amended and Restated Bylaws of Synchrony Financial (incorporated by reference to Exhibit 3.2 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
4.1**	Form of Indenture between Synchrony Financial and The Bank of New York Mellon, as Trustee
4.2**	Form of First Supplemental Indenture between Synchrony Financial and The Bank of New York Mellon, as Trustee
5.1**	Opinion of Weil, Gotshal & Manges LLP
10.1**	Master Agreement, dated as of July 30, 2014, among General Electric Capital Corporation, Synchrony Financial, and, solely for purposes of certain sections and articles set forth therein, General Electric Company
10.2**	Form of Transitional Services Agreement
10.3**	Form of Registration Rights Agreement
10.4**	Form of Tax Sharing and Separation Agreement
10.5**	Form of Employee Matters Agreement
10.6**	Form of Transitional Trademark License Agreement
10.7**	Form of Intellectual Property Cross License Agreement
10.8**	Credit Agreement, dated as of July 30, 2014, among Synchrony Financial, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other Lenders party thereto
10.9**	Credit Agreement, dated as of July 30, 2014, among Synchrony Financial, as borrower, General Electric Capital Corporation, as administrative agent, and the other Lenders party thereto
10.10**	Form of Synchrony 2014 Long-Term Incentive Plan
10.11**	Form of agreement for awards under Synchrony 2014 Long-Term Incentive Plan
10.12**	Form of Transaction Award Agreement, by and between GE Capital Retail Bank/GE Capital Retail Finance, Inc. and each of Margaret M. Keane, Brian D. Doubles, Jonathan S. Mothner, Thomas M. Quindlen and Glenn P. Marino
10.13	Operating Agreement, dated as of January 11, 2013, between GE Capital Retail Bank and the Office of the Comptroller of the Currency (incorporated by reference to Exhibit 10.13 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))

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- 10.14 Capital Assurance and Liquidity Maintenance Agreement, dated as of January 11, 2013, among GE Capital Retail Bank, General Electric Capital Corporation and GE Consumer Finance, Inc. (incorporated by reference to Exhibit 10.14 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
- 10.15 Master Indenture, dated as of September 25, 2003, between GE Capital Credit Card Master Note Trust, as Issuer and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

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Number	Description
10.16	Omnibus Amendment No. 1 to Securitization Documents, dated as of February 9, 2004, among RFS Holding, L.L.C., RFS Funding Trust, GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia), GE Capital Credit Card Master Note Trust, Deutsche Bank Trust Company Delaware, as Trustee of RFS Funding Trust, RFS Holding, Inc. and Deutsche Bank Trust Company Americas, as Indenture Trustee (incorporated by reference to Exhibit 4.16 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.17	Second Amendment to Master Indenture, dated as of June 17, 2004, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)
10.18	Third Amendment to Master Indenture, dated as of August 31, 2006, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.19	Fourth Amendment to Master Indenture, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 3, 2007)
10.20	Fifth Amendment to Master Indenture, dated as of May 22, 2008, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.21	Sixth Amendment to Master Indenture, dated as of August 7, 2009, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on August 7, 2009)
10.22	Seventh Amendment to Master Indenture, dated as of January 21, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on January 21, 2014)
10.23	Eighth Amendment to Master Indenture and Omnibus Supplement to Specified Indenture Supplements, dated as of March 11, 2014, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)
10.24**	Form of VFN Indenture Supplement, between GE Capital Credit Card Master Note Trust and Deutsche Bank Trust Company Americas
10.25**	Form of Loan Agreement (VFN Series, Class A), among GE Capital Credit Card Master Note Trust, the Lenders party thereto from time to time, and the Managing Agents party thereto from time to time
10.26	Trust Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and The Bank of New York (Delaware) (incorporated by reference to Exhibit 4.3 of Amendment No. 1 to Form S-3

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Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))

10.27

First Amendment to Trust Agreement, dated as of January 21, 2014, between RFS Holding, L.L.C. and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 4.2 of the current Form 8-K filed by GE Capital Credit Master Note Trust and RFS Holding, L.L.C., on January 21, 2014)

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Number	Description
10.28	Custody and Control Agreement, dated as of September 25, 2003 by and among Deutsche Bank Trust Company of Americas, in its capacity as Custodian and in its capacity as Indenture Trustee, and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.8 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.29	Receivables Sale Agreement, dated as of June 27, 2003, between GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.9 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.30	RSA Assumption Agreement and Second Amendment to Receivables Sale Agreement, dated as of February 7, 2005, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)
10.31	Third Amendment to Receivables Sale Agreement, dated as of December 21, 2006, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.32	Fourth Amendment to Receivables Sale Agreement, dated as of May 21, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.33	Designation of Removed Accounts and Fifth Amendment to Receivables Sale Agreement, dated as of December 29, 2008, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.34	Designation of Removed Accounts and Sixth Amendment to Receivables Sale Agreement, dated as of February 26, 2009, between GE Capital Retail Bank (formerly known as GE Money Bank) and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.35	Seventh Amendment to Receivables Sale Agreement, dated as of November 23, 2010, between GE Capital Retail Bank (formerly known as GE Money Bank), and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2010)
10.36	Eighth Amendment to Receivables Sale Agreement, dated as of March 20, 2012, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.37	Ninth Amendment to Receivables Sale Agreement, dated as of March 11, 2014, among GE Capital Retail Bank, RFS Holding, Inc., PLT Holding, L.L.C. and RFS Holding, L.L.C. (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 14, 2014)

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- 10.38 Transfer Agreement, dated as of September 25, 2003, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.12 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
- 10.39 Second Amendment to Transfer Agreement, dated as of June 17, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on July 2, 2004)

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Number	Description
10.40	Third Amendment to Transfer Agreement, dated as of November 21, 2004, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on November 24, 2004)
10.41	Fourth Amendment to Transfer Agreement, dated as of August 31, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on September 5, 2006)
10.42	Fifth Amendment to Transfer Agreement, dated as of December 21, 2006, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 21, 2006)
10.43	Sixth Amendment to Transfer Agreement, dated as of May 21, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.4 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.44	Reassignment of Receivables in Removed Accounts and Seventh Amendment to Transfer Agreement, dated as of December 29, 2008, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on December 30, 2008)
10.45	Reassignment No. 4 of Receivables in Removed Accounts and Eighth Amendment to Transfer Agreement, dated as of February 26, 2009, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 26, 2009)
10.46	Ninth Amendment to Transfer Agreement, dated as of March 31, 2010, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 31, 2010)
10.47	Tenth Amendment to Transfer Agreement, dated as of March 20, 2012, between RFS Holding, L.L.C. and GE Capital Credit Card Master Note Trust (incorporated by reference to Exhibit 4.2 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on March 21, 2012)
10.48	Servicing Agreement, dated as of June 27, 2003, by and among RFS Funding Trust, GE Capital Credit Card Master Note Trust and General Electric Capital Corporation, successor to GE Capital Retail Bank (formerly known as Monogram Credit Card Bank of Georgia) (incorporated by reference to Exhibit 4.13 of Amendment No. 1 to Form S-3 Registration Statement filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.49	Servicing Assumption Agreement, dated as of February 7, 2005, by GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on February 11, 2005)

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- 10.50 First Amendment to Servicing Agreement, dated as of May 22, 2006, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 25, 2006)
- 10.51 Second Amendment to Servicing Agreement, dated as of June 28, 2007, between GE Capital Credit Card Master Note Trust and GE Capital Retail Bank (formerly known as GE Money Bank) (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on June 28, 2007)

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Number	Description
10.52	Instrument of Resignation, Appointment and Acceptance and Third Amendment to Servicing Agreement, dated as of May 22, 2008, by and among GE Capital Credit Card Master Note Trust, GE Capital Retail Bank (formerly known as GE Money Bank) and General Electric Capital Corporation (incorporated by reference to Exhibit 4.3 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 28, 2008)
10.53	Administration Agreement, dated as of September 25, 2003, among GE Capital Credit Card Master Note Trust, General Electric Capital Corporation, as Administrator, and The Bank of New York (Delaware), not in its individual capacity but solely as Trustee (incorporated by reference to Exhibit 4.14 of Amendment No. 1 to Form S-3 Registration Statement filed on May 20, 2004 (No. 333-107495, 333-107495-01 and 333-107495-02))
10.54	First Amendment to Administration Agreement, dated as of May 4, 2009, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust and RFS Holding, L.L.C. on May 6, 2009)
10.55	Master Indenture, dated as of February 29, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.55 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.56	Supplement No.1 to Master Indenture, dated as of September 19, 2012, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.56 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.57	Supplement No.2 to Master Indenture, dated as of March 21, 2014, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 10.57 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.58**	Form of Indenture Supplement, between GE Sales Finance Master Trust and Deutsche Bank Trust Company Americas
10.59**	Form of Loan Agreement, among GE Sales Finance Master Trust, the Lenders party thereto from time to time, and the Lender Group Agents for the Lender Groups party thereto from time to time
10.60	Amended and Restated Trust Agreement of GE Sales Finance Master Trust, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C and BNY Mellon Trust of Delaware (incorporated by reference to Exhibit 10.60 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.61	Amended and Restated Receivables Participation Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.61 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.62	First Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 17, 2012, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.62 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))

- 10.63 Second Amendment to Amended and Restated Receivables Participation Agreement, dated as of August 5, 2013, between GE Capital Retail Bank and GEMB Lending Inc. (incorporated by reference to Exhibit 10.63 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))

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Number	Description
10.64	Participation Interest Sale Agreement, dated as of February 29, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.64 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.65	First Amendment to Participation Interest Sale Agreement, dated as of September 19, 2012, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.65 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.66	Second Amendment to Participation Interest Sale Agreement, dated as of March 21, 2014, between GEMB Lending Inc. and GE Sales Finance Holding, L.L.C. (incorporated by reference to Exhibit 10.66 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.67	Transfer Agreement, dated as of February 29, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.67 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.68	First Amendment to Transfer Agreement, dated as of September 19, 2012, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.68 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.69	Second Amendment to Transfer Agreement, dated as of March 21, 2014, between GE Sales Finance Holding, L.L.C. and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.69 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.70	Servicing Agreement, dated as of February 29, 2012, between GE Capital Retail Bank and GE Sales Finance Master Trust (incorporated by reference to Exhibit 10.70 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.71	Administration Agreement, dated as of February 29, 2012, between GE Sales Finance Master Trust and GE Capital Retail Bank (incorporated by reference to Exhibit 10.71 of Amendment No. 1 to Form S-1 Registration Statement filed by Synchrony Financial on April 25, 2014 (No. 333-194528))
10.72	First Amended and Restated Technology Sourcing Agreement, dated as of December 10, 1998, between Retailer Credit Services, Inc. and First Data Resources, Inc., as amended (incorporated by reference to Exhibit 10.72 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.73	First Amended and Restated Production Services Agreement, dated as of December 1, 2009, by and between Retailer Credit Services, Inc. and First Data Resources, LLC, as amended (incorporated by reference to Exhibit 10.73 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.74	Stock Contribution Agreement, dated as of April 1, 2013, between GE Capital Retail Finance Corporation and GE Consumer Finance, Inc. (incorporated by reference to Exhibit 10.74 of Amendment No. 3 to Form S-1 Registration Statement filed by Synchrony Financial on June 6, 2014 (No. 333-194528))
10.75	

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Stock Contribution Agreement, dated as of August 5, 2013, between GE Capital Retail Finance Corporation and General Electric Capital Corporation (incorporated by reference to Exhibit 10.75 of Amendment No. 3 to Form S-1 Registration Statement filed by Synchrony Financial on June 6, 2014 (No. 333-194528))

10.76 General Electric Company 2007 Long-Term Incentive Plan (as amended and restated April 25, 2012) (incorporated by reference to Exhibit 99.1 of the Registration Statement on Form S-8 filed by General Electric Company on May 4, 2012 (No. 333-181177))

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Number	Description
10.77	Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan, as amended January 1, 2009 (incorporated by reference to Exhibit 10(n) of the annual report on Form 10-K filed by General Electric Company on February 18, 2009)
10.78	Form of Agreement for Periodic Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan (incorporated by reference to Exhibit 10.4 of the current report on Form 8-K filed by General Electric Company on April 27, 2007)
10.79	Form of Agreement for Long Term Performance Award Grants to Executive Officers under the General Electric Company 2007 Long-term Incentive Plan (as amended and restated April 25, 2012) (incorporated by reference to Exhibit 10(a) of the quarterly report on Form 10-Q filed by General Electric Company on July 26, 2013)
10.80	General Electric Supplementary Pension Plan, as amended effective January 1, 2011 (incorporated by reference to Exhibit 10(g) of the annual report on Form 10-K filed by General Electric Company on February 25, 2011)
10.81	GE Excess Benefits Plan, effective January 1, 2009 (incorporated by reference to Exhibit 10(k) to the annual report on Form 10-K filed by General Electric Company on February 18, 2009)
10.82	General Electric Leadership Life Insurance Program, effective January 1, 1994 (incorporated by reference to Exhibit 10(r) to the annual report on Form 10-K filed by General Electric Company on March 11, 1994)
10.83	General Electric Supplemental Life Insurance Program, as amended February 8, 1991 (incorporated by reference to Exhibit 10(i) to the annual report on Form 10-K filed by General Electric Company for the fiscal year ended December 31, 1990)
10.84	General Electric 2006 Executive Deferred Salary Plan, as amended January 1, 2009 (incorporated by reference to Exhibit 10(l) to the annual report on Form 10-K filed by General Electric Company on February 18, 2009)
10.85	Amendment to Nonqualified Deferred Compensation Plans, dated as of December 14, 2004 (incorporated by reference to Exhibit 10(w) to the annual report on Form 10-K filed by General Electric Company on March 1, 2005)
10.86	General Electric Financial Planning Program, as amended through September 1993 (incorporated by reference to Exhibit 10(h) to the annual report on Form 10-K filed by General Electric Company on March 11, 1994)
10.87	GE Capital Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.87 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.88	Assumption Agreement, dated as of June 20, 2014, by and between General Electric Capital Corporation and Synchrony Financial (incorporated by reference to Exhibit 10.88 of Amendment No. 4 to Form S-1 Registration Statement filed by Synchrony Financial on June 27, 2014 (No. 333-194528))
10.89**	Form of Indemnification Agreement for directors, executive officers and key employees
10.90**	

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Sub-Servicing Agreement, dated as of July 30, 2014, between Synchrony Financial and General Electric Capital Corporation

- 10.91 Synchrony Financial Non-Employee Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.91 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 33-194528))
- 10.92 Fourth Amendment to Servicing Agreement, dated as of July 16, 2014, between GE Capital Credit Card Master Note Trust and General Electric Capital Corporation (incorporated by reference to Exhibit 4.14 of the current report on Form 8-K filed by GE Capital Credit Card Master Note Trust, RFS Holding, L.L.C. and Synchrony Bank on July 16, 2014)

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Number	Description
10.93	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. (Macy's) and General Electric Capital Corporation (incorporated by reference to Exhibit 10.93 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.94	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. and General Electric Capital Corporation (incorporated by reference to Exhibit 10.94 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.95	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. (Macy's) and GECFS, Inc. (Macy's) (incorporated by reference to Exhibit 10.95 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.96	Revolving Credit Agreement, dated as of March 29, 1996, between GE Capital Consumer Card Co. and GECFS, Inc. (Card Services) (incorporated by reference to Exhibit 10.96 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.97	Amendment No. 1 to Revolving Credit Agreement, dated as of October 6, 1997, between GE Capital Consumer Card Co. and GECFS, Inc. (Card Services) (incorporated by reference to Exhibit 10.97 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.98	Revolving Credit Agreement, dated as of May 1996, between Monogram Credit Card Bank of Georgia and General Electric Capital Corporation (incorporated by reference to Exhibit 10.98 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.99	Amendment No. 1 to Revolving Credit Agreement, dated as of April 18, 2003, between Monogram Credit Card Bank of Georgia and General Electric Capital Corporation (incorporated by reference to Exhibit 10.99 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.100	Amendment to Revolving Credit Agreements, dated as of October 1, 2008, between GE Money Bank and General Electric Capital Corporation (incorporated by reference to Exhibit 10.100 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.101	Amendment to Revolving Credit Agreements, dated as of June 13, 2012, between GE Capital Retail Bank and General Electric Capital Corporation (incorporated by reference to Exhibit 10.101 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
10.102	Letter, dated as of March 20, 2013, from General Electric Capital Corporation to GE Capital Retail Bank relating to revolving credit agreements (incorporated by reference to Exhibit 10.102 of Amendment No. 5 to Form S-1 Registration Statement filed by Synchrony Financial on July 18, 2014 (No. 333-194528))
12.1**	Statement of Ratio of Earnings to Fixed Charges
21.1**	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP

- 23.2 Consent of Weil, Gotshal & Manges LLP (included in Exhibit 5.1)
- 24.1 Powers of Attorney (included on the signature page to Amendment No. 1 to the Form S-1 Registration Statement filed by Synchrony Financial on August 1, 2014 (No. 333-197244) and on the signature page to the Form S-1 Registration Statement filed by Synchrony Financial on July 3, 2014 (No. 333-197244))
- 25.1** Statement of Eligibility of The Bank of New York Mellon, as trustee, with respect to senior notes

* To be filed by amendment.

** Previously filed.

Confidential treatment requested as to certain portions, which portions have been provided separately to the Securities and Exchange Commission.