

# GE Capital Services

## Overview / Strategy

"This document contains "forward-looking statements"- that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in interest and exchange rates and commodity and equity prices; the commercial and consumer credit environment; the impact of regulation and regulatory and legal actions; strategic actions, including acquisitions and dispositions; future integration of acquired businesses; future financial performance of major industries which we serve, including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements."



imagination at work



# GE Company

~320,000 employees across 100 countries  
 2008 Actual - Revenue \$183Bn and profit \$18Bn

## Technology Infrastructure



Healthcare  
 Aviation  
 Transportation  
 Enterprise Solutions

## Energy Infrastructure



Energy  
 Oil & Gas  
 Water & Process Technologies

## Capital Finance



Commercial Lending & Leasing  
 Real Estate  
 Consumer  
 GECAS  
 Energy Financial Services

### GE Capital Services

- ~81,000 employees
- ~50 countries
- 2008 Actuals
  - Revenue \$67Bn
  - Net income \$7.8Bn
  - Assets \$661Bn

## NBC Universal



Cable  
 Film  
 International  
 Network  
 Sport & Olympics

## Consumer and Industrial



Appliances  
 Lighting  
 Electrical Distribution  
 & Control

# Environment

## Big factors

## Status

Dramatic financial crisis

“Better”

- + Credit markets improving
- + Pricing attractive
- Losses still remain high

Difficult recession

“Bottoming”

- + Some signs of life
- + Delinquencies leveling off
- Excess capacity, CAPEX constrained
- Unemployment ↑

Global growth

“Available”

- + Emerging markets relative strength

**Environment improved in 3Q'09**

# Executing through the recession

## Stabilize Capital Finance

- ✓ Funding well ahead of plan
- ✓ Capital ratios strong & improving
- ✓ Strong margins on new originations
- ✓ Working through Real Estate cycle

+

## Outperforming in a tough economy

- ✓ Protect backlog
- ✓ Services strength
- ✓ Global orders
- ✓ Lower cost
- ✓ Expanding margins

+

## Strengthen the balance sheet

- ✓ Strong cash generation
- ✓ Maximize financial flexibility

### Status

Much improved

As expected

Much improved

# GE Company - Third quarter consolidated results

(\$ in billions - except EPS)

## Continuing operations

	<u>3Q'09</u>	<u>V%</u>
Revenues	\$37.8	(20)%
- Industrial sales	25.1	(13)
- Financial Svcs. rev.	12.7	(31)
Earnings <sup>-a)</sup>	2.5	(45)
EPS <sup>-b)</sup>	.22	(51)
CFOA YTD	11.5	(16)
- Industrial CFOA	11.5	1
	<u>3Q'09</u>	<u>3Q'09</u>
		<u>YTD</u>
Tax rate	(25)%	(7)%
- GE (ex. GECS)	22	26
- GECS	114	210

(a- attributable to GE

(b- earnings attributable to common shareowners

(\$ in millions)

	<u>Revenues</u>		<u>Segment profit</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Energy Infra.	\$8,917	(9)%	\$1,582	11%
Technology Infra.	10,209	(11)	1,748	(8)
<b>Infrastructure</b>	<b>19,126</b>	<b>(10)</b>	<b>3,330</b>	<b>-</b>
NBC Universal	4,079	(20)	732	13
Capital Finance	12,161	(30)	263	(87)
C&I	2,438	(18)	117	F
			<u><u>\$4,442</u></u>	<u><u>(26)%</u></u>

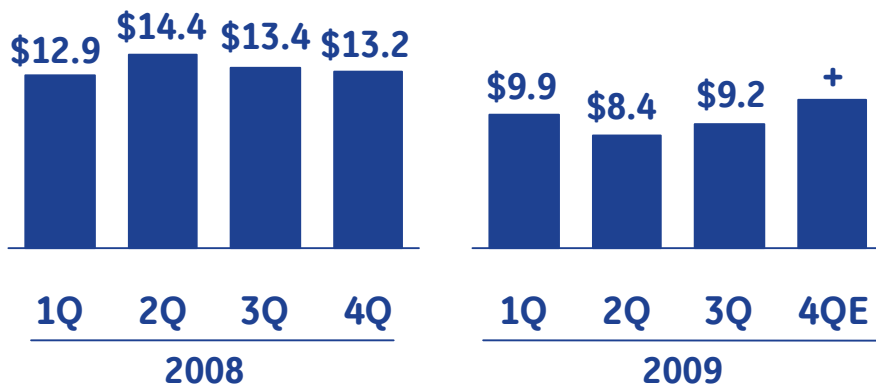
# Backlog growing

(\$ in billions)

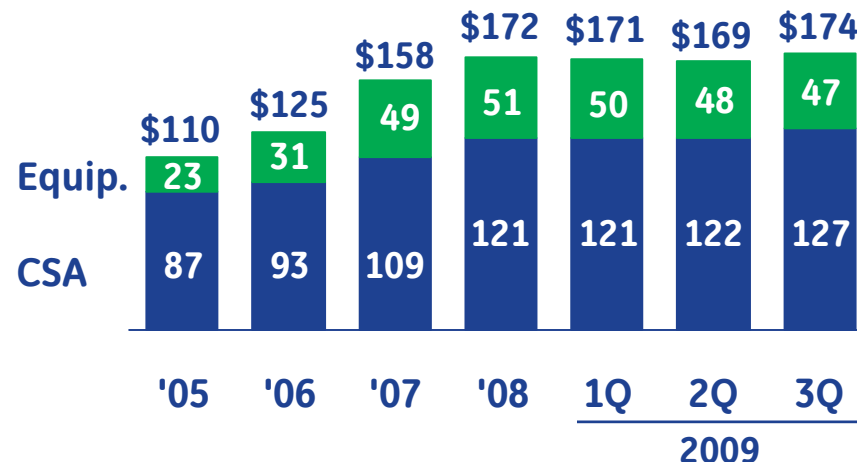
**Orders \$18.4/(18)% 3Q VPY/(18)% YTD**

	Equipment		Services	
	\$	V%	\$	V%
Energy	\$2.6	(50)%	\$3.9	9%
O&G	1.3	6	0.8	(5)
Aviation	1.9	(37)	2.6	1
Healthcare	2.4	(13)	1.5	(1)
Transportation	0.2	(23)	0.5	(43)
Ent. Solutions	0.9	(24)	-	-
<b>Total</b>	<b>\$9.2</b>	<b>(32)%</b>	<b>\$9.2</b>	<b>3%</b>

## Equipment orders



## Protecting backlog (\$B)



## Highlights

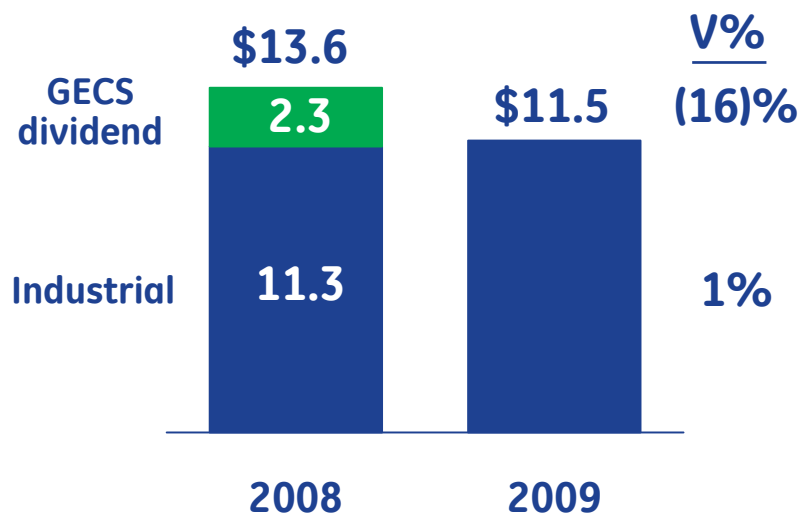
- ✓ Equipment orders +\$0.7B vs. 2Q'09 ... continuing to win global orders
- ✓ Service orders +3% driven by strength in Energy with Smart Grid
- ✓ Backlog at all-time high: equipment steady & continuing to acquire service commitments
  - \$7.9B new CSA additions 3Q'09

**Equipment orders improving ... up \$741MM vs. 2Q'09**

# Generating cash

(\$ in billions)

## 3Q YTD CFOA



- ✓ No GECS dividend, Industrial cash flow higher year over year
- ✓ Focus on working capital driving strong cash generation

## GE cash balance walk

Consolidated cash \$61B

	<u>Total</u>
Beginning balance 1/1/09	\$12.1
CFOA	11.5
Dividends	(7.8)
P&E	(1.8)
GECS capital contribution	(9.5)
Acquisitions/dispositions	0.5
Change in debt/other	0.2
<b>September 2009</b>	<b>\$5.2</b>

**CFOA on track for \$15B+ total year**

# 2009 company update

	<u>EPG</u>	<u>3Q YTD</u>		
Energy Infrastructure	++	+14%	} 3%	} (3)% →
Technology Infrastructure	+	(5)		
NBCU	-	(27)		
Capital Finance	Profitable	\$2.0B		→
Corporate/C&I	Flat	(7)%		→

+ Solid service position  
 - Lower equipment sales  
 + Strong cost out/margins  
 + Global stimulus

+ Funding solid; originations strong  
 - Tough loss environment

+ C&I better  
 + Plan to do more restructuring

- ✓ Strong business execution in tough environment
- ✓ Funding more restructuring
- ✓ Improving cost structure for 2010+

# Financial Services

# GE Capital

'08 revenue: \$67.0Bn 15-year growth 10+%

Commercial  
Lending &  
Leasing



Middle market  
lending &  
leasing

'08 revenue  
\$26.7Bn

Energy  
Financial  
Services



Financing for  
energy & water  
industries

'08 revenue  
\$3.7Bn

Commercial  
Aviation  
Services



Commercial  
aircraft leasing  
& financing

'08 revenue  
\$4.9Bn

Consumer



Consumer &  
retail financing  
Global Banking

'08 revenue  
\$25.0Bn

Real Estate



Debt & equity  
financing for  
commercial  
real estate

'08 revenue  
\$6.6Bn

**Deep domain expertise & strong risk management**

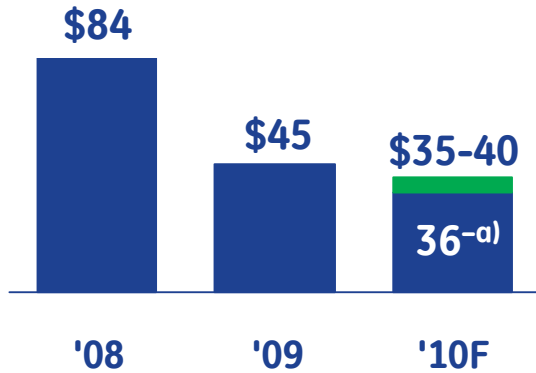
# GE Capital

- 1 Running GE Capital to be safe & secure
  - ✓ Liquidity position is stronger
  - ✓ Completed '09 funding; 2010 funding >90% complete
- 2 Resizing into a smaller, more focused Capital Finance
  - ✓ ENI excluding FX ↓ \$40B from 4Q'08
  - ✓ SG&A down \$2.6B year to date
- 3 Tough credit cycle
  - ✓ Planning for higher delinquencies, provisions for losses & write offs
- 4 Capital sufficient to weather adverse economic conditions
  - ✓ Additional capital not required under Fed adverse scenario
  - ✓ Increasing reserves ... 3Q coverage 2.08%
- 5 Profitable 3Q and expect to be profitable in TY'09 ... 3Q YTD net earnings >\$2B
- 6 GE committed to GE Capital ... financial services “white paper” does not change our strategy

# Capital Finance safe & secure

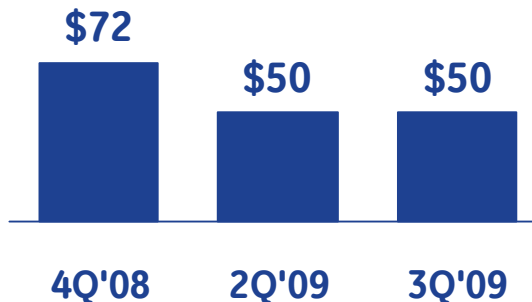
(\$ in billions)

## Long-term debt funding



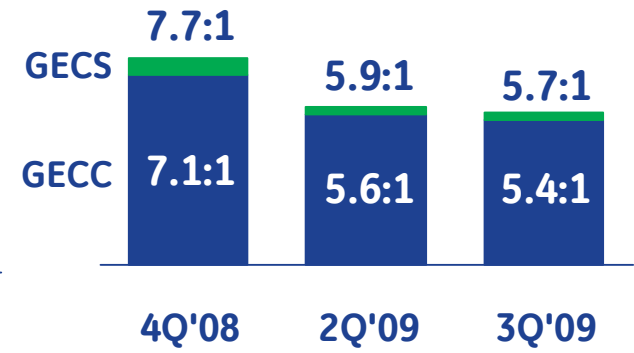
(a- 2009 YTD as of 11/4)

## GECS commercial paper



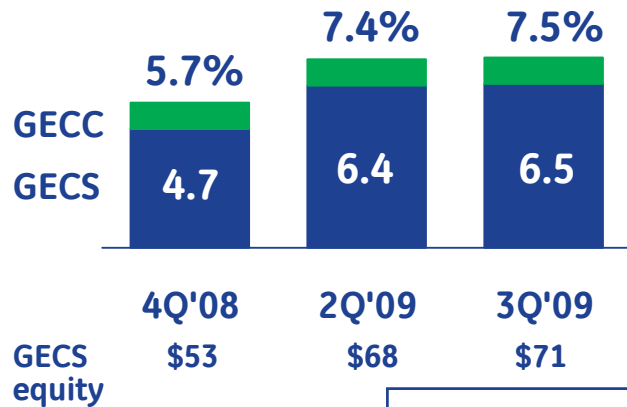
Cash & backup bank lines >2X CP

## Leverage<sup>b)</sup>



(b- net of cash & equivalents with hybrid debt as equity ex. noncontrolling interests)

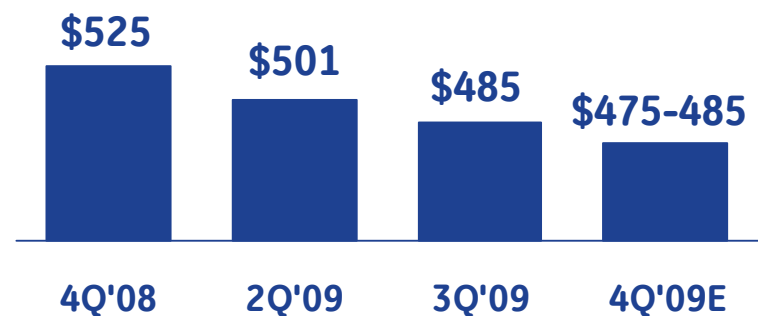
## Tier 1 common ratio



GECS equity

4Q'08 \$53  
2Q'09 \$68  
3Q'09 \$71

## Ending net investment<sup>c)</sup>



(c- Capital Finance excluding effects of FX)

**Strong execution through the crisis ...  
ahead of plan on all metrics**

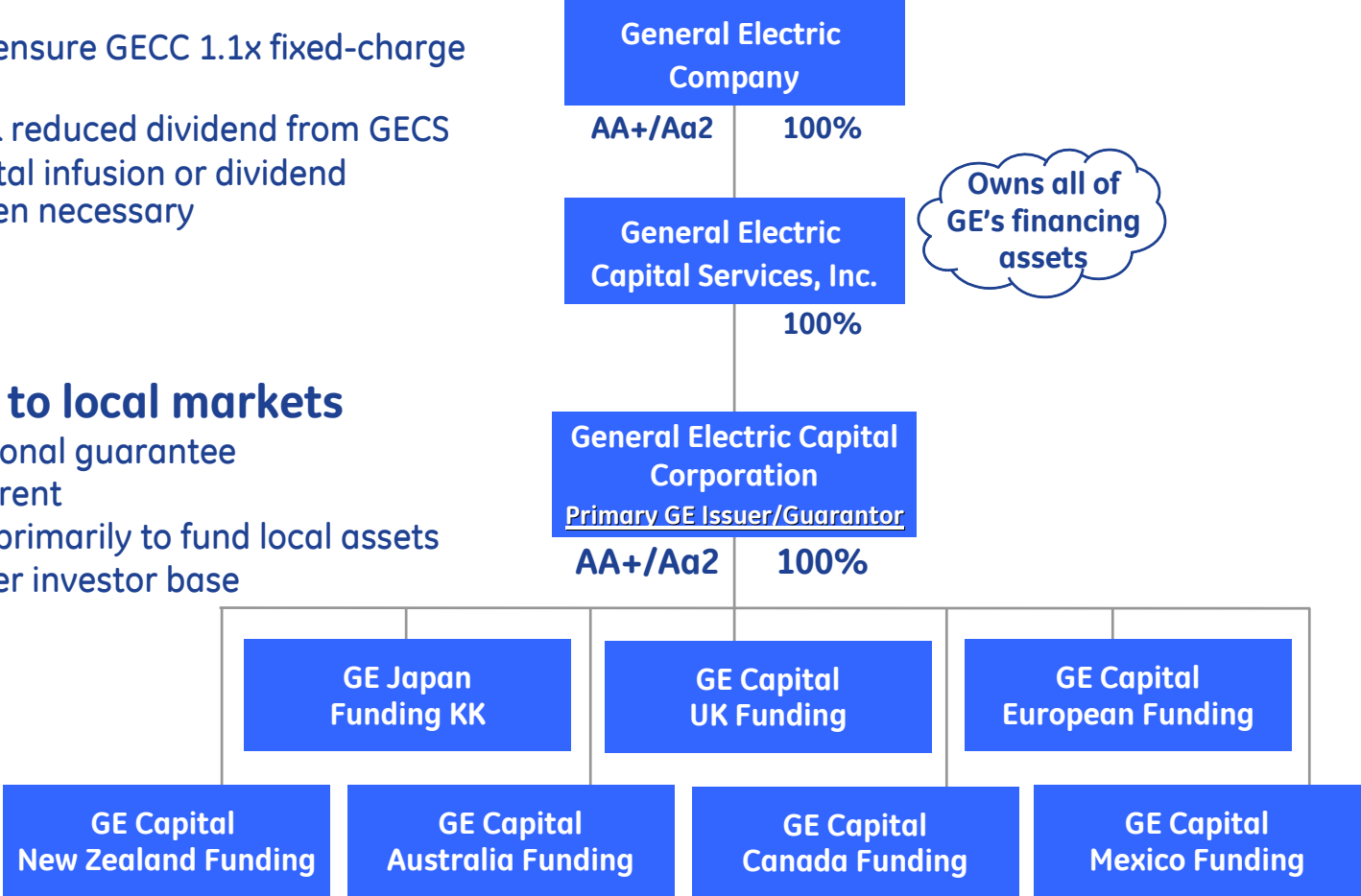
# GE Capital structure

### Support

- GE support to ensure GECC 1.1x fixed-charge coverage ratio
- Infused \$15B & reduced dividend from GECS
- History of capital infusion or dividend reductions when necessary

### Commitment to local markets

- GECC unconditional guarantee
- Highly rated parent
- Proceeds used primarily to fund local assets
- Access to deeper investor base



# GE credit ratings

	Moody's Rating		S&P Rating	
	<u>Short Term</u>	<u>Long Term</u>	<u>Short Term</u>	<u>Long Term</u>
General Electric Company	P-1	Aa2	A-1+	AA+
General Electric Capital Services	P-1	Aa3	A-1+	AA+
General Electric Capital Corporation	P-1	Aa2	A-1+	AA+
• GE Capital Australia Funding*	P-1	Aa2	A-1+	AA+
• GE Capital Canada Funding*	P-1	Aa2	A-1+	AA+
• GE Capital European Funding*	P-1	Aa2	A-1+	AA+
• GE Japan Funding KK*	P-1	Aa2	A-1+	AA+
• GE Capital Mexico Funding*	P-1	Aa2	A-1+	AA+
• GE Capital UK Funding*	P-1	Aa2	A-1+	AA+

\* Guaranteed by General Electric Capital Corporation

# GECS segment results – continuing operations

(\$ in millions – net earnings)

	<u>3Q'09</u>	<u>3Q'08</u>	<u>V%</u>
CLL	\$135	\$389	(65)%
Real Estate	(538)	244	U
Consumer	434	796	(45)
GECAS	191	285	(33)
EFS	41	306	(87)
GECS Corporate & elims.	<u>(130)</u>	<u>(10)</u>	<u>U</u>
<b>Total GE Capital Services</b>	<b><u>\$133</u></b>	<b><u>\$2,010</u></b>	<b><u>(93)%</u></b>

# GECS segment assets

GECS & consolidated affiliates  
(\$ in billions)

	<u>3Q'09</u>	<u>3Q'08</u>	<u>V%</u>
CLL	\$214.0	\$247.8	(14)%
Real Estate	83.7	88.7	(6)
Consumer	180.1	213.9	(16)
GECAS	50.4	49.8	1
EFS	22.6	21.9	3
GECS Corporate & elims.	106.0	55.1	93
<b>Total GECS – continuing operations</b>	<b>\$656.8</b>	<b>\$677.2</b>	<b>(3)%</b>
Assets of discontinued operations	1.5	1.2	24
<b>Total GECS</b>	<b><u>\$658.3</u></b>	<b><u>\$678.4</u></b>	<b><u>(3)%</u></b>

# Capital Finance highlights

(\$ in millions)

<u>3Q'09</u>	<u>\$</u>	<u>V%</u>
Revenues	\$12,161	(30)%
Segment profit	\$263	(87)%
Assets	\$551B	(11)%

## Key 3Q business results

	<u>Assets (\$B)</u>		<u>Segment profit (\$MM)</u>	
	<u>\$</u>	<u>V%</u>	<u>\$</u>	<u>V%</u>
Consumer	\$180	(16)%	\$434	(45)%
Real Estate	84	(6)	(538)	U
CLL	214	(14)	135	(65)
GECAS	50	1	191	(33)
EFS	23	3	41	(87)

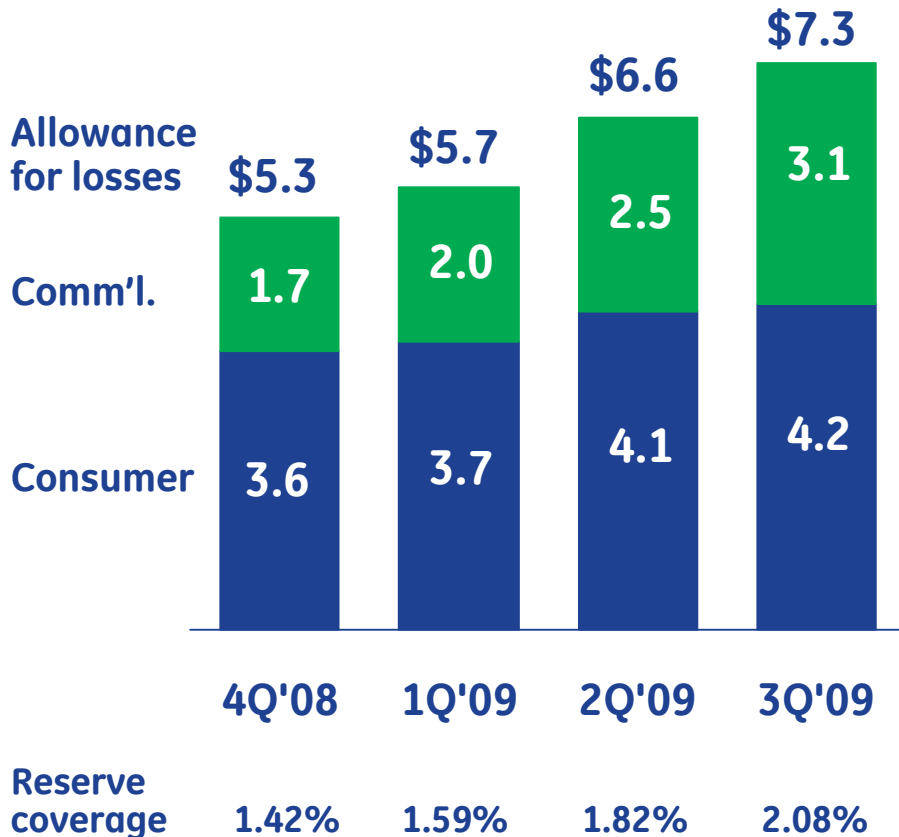
## Update from July 28

- ✓ **Funding**
  - + '09 ENI reduction targets already achieved
  - + GECC funded >90% of 2010 plan
  - Negative carry cost ~\$0.7B in '09
- ✓ **Originations**
  - + \$23B of commercial originations YTD
  - + Underwriting business at attractive returns
- ✓ **Losses**
  - + Slightly better than Fed base case
  - Real Estate continues to be difficult
- ✓ **Reserve coverage**
  - + Reserves \$7.3B, up \$0.8B from 2Q
  - + Coverage 2.08%, up 26 bps.
- ✓ **Cost out**
  - + Delivered \$2.6B cost out YTD

- ✓ **Executing well in difficult environment**
- ✓ **\$2B Capital Finance earnings YTD**
- ✓ **Committed to GE Capital, strengthening fixed charge coverage agreement**
- ✓ **Next Capital Finance analyst meeting December 8**

# Capital Finance reserve coverage

(\$ in billions)



## Commercial

- ✓ Reserves increased by \$0.6B in 3Q'09 ... coverage rate to 1.43%
  - Strong collateral will lead to ultimate loss significantly below non-earners

## Consumer

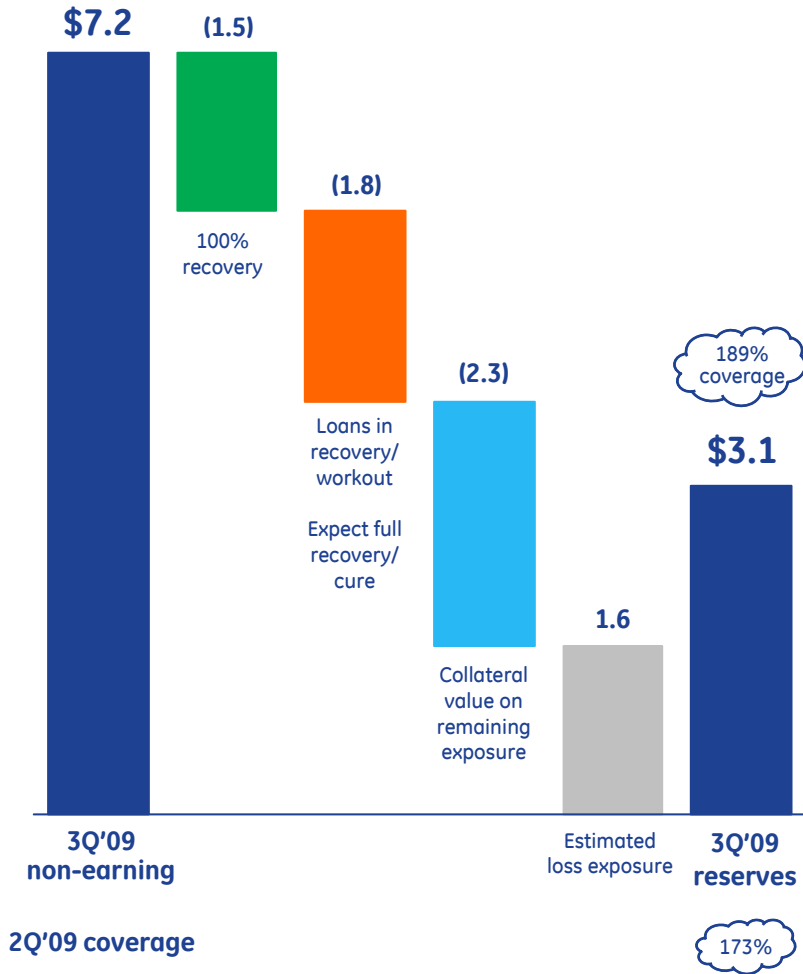
- ✓ Coverage at 3.11%
- ✓ U.S. Card & Sales Finance
  - Coverage rate up 45 bps. to 7.02%
  - Reserves/non-earnings 209%
- ✓ Mortgage
  - Coverage rate up 26 bps. to 1.59%
  - Reserves/non-earnings 20%
  - U.K. REO sales realization at 115%

**Reserve coverage +\$757MM, +26 bps. vs. prior quarter**

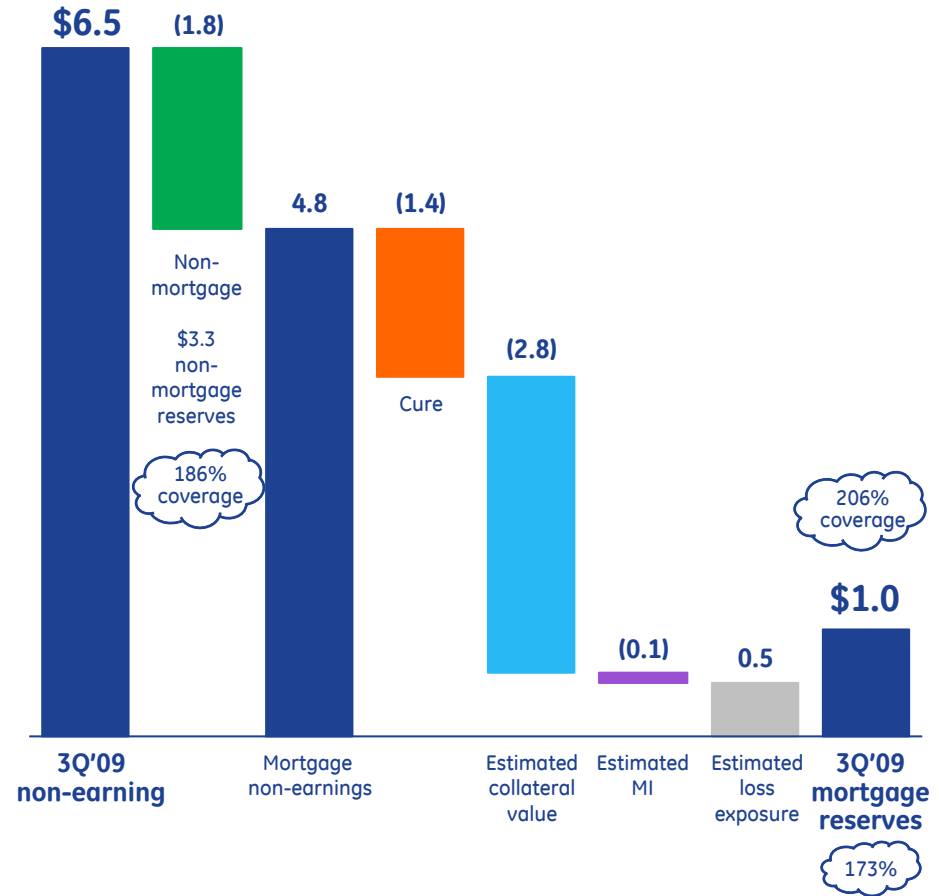
# Capital Finance non-earning exposure walk

(\$ in billions)

## Commercial



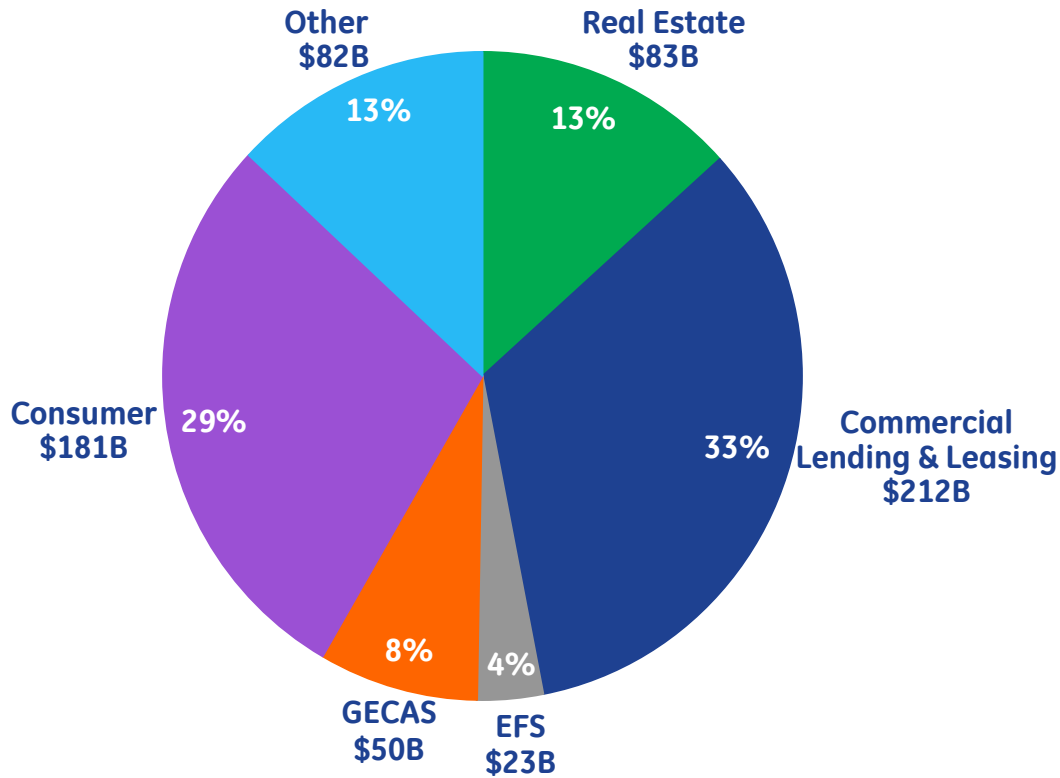
## Consumer



# GECC Portfolio

3Q'09 Assets

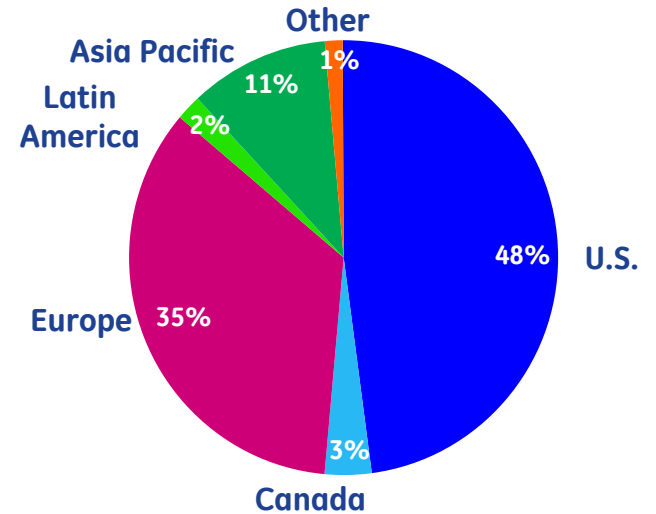
## Total Assets



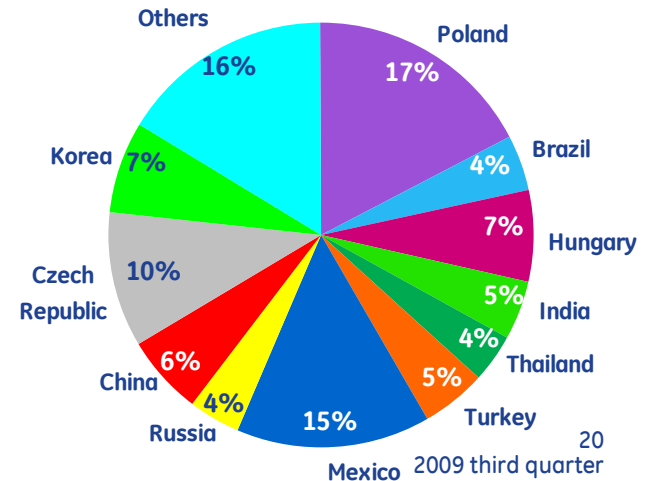
~70% of financing activities - Commercial

11% Developing Markets

## Geography



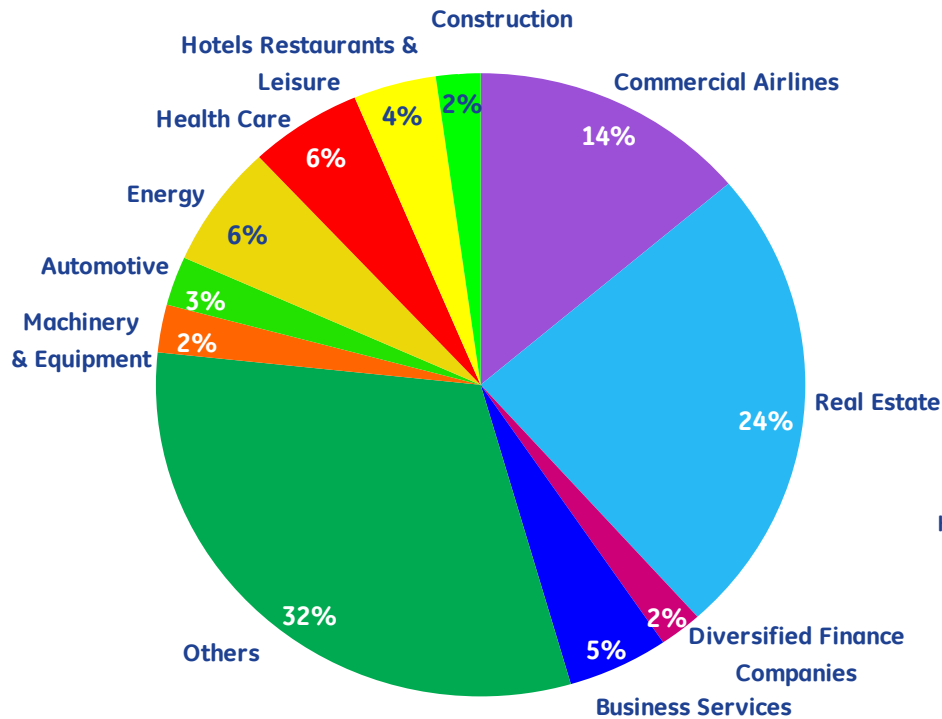
## Developing Markets \$71B



# Commercial Portfolio Diversification

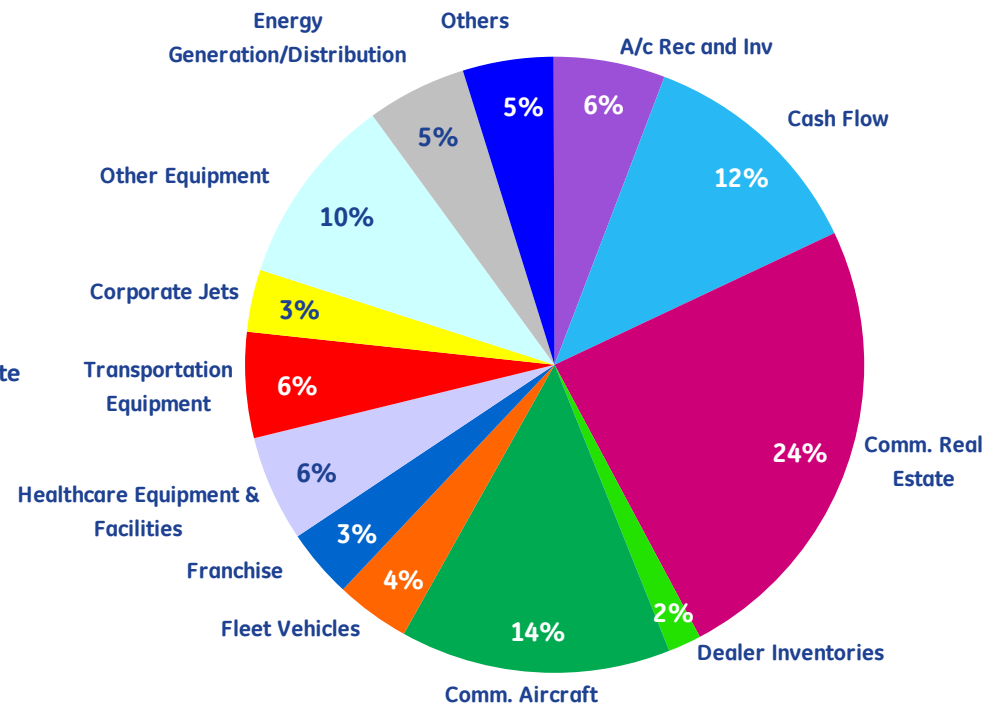
3Q'09 Assets

## Industry sectors



**50% less than 6% industry weighting - 53 industries**

## Collateral type



**Diversified portfolio in long-standing GECC collateral types**

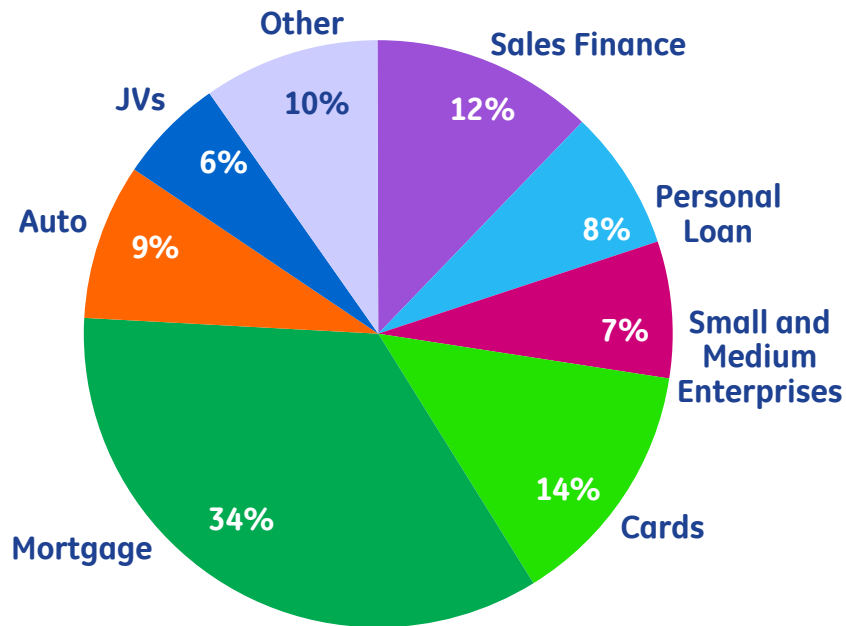
Note: GECC only including discontinued ops



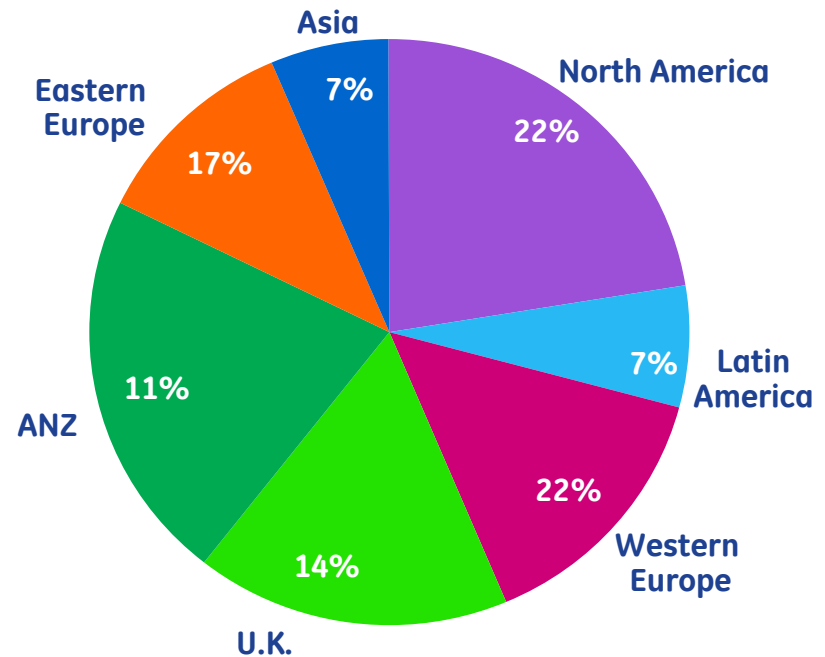
# Consumer Portfolio (assets)

3Q'09 Assets

## Products



## Geography

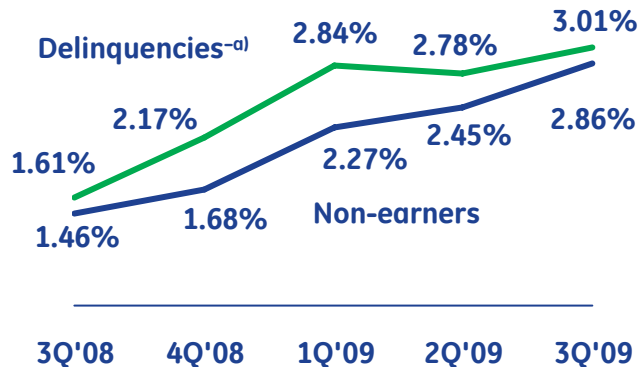


Note: GECC only including discontinued ops

**>70% International**  
**~23% in developing markets**  
**~60% of receivables – Prime**

# Capital Finance portfolio quality

## Equipment



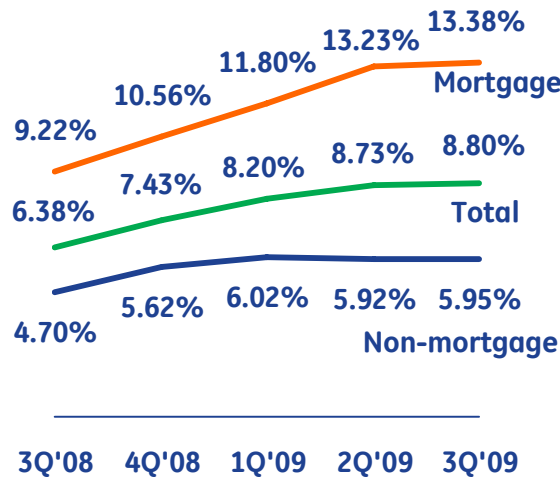
## Drivers

- ✓ Delinquency up 23 bps., driven by Americas portfolio partially offset by Asia & Europe
- ✓ Non-earners +41 bps. vs. 2Q'09
  - Driven by senior secured loans ... well collateralized

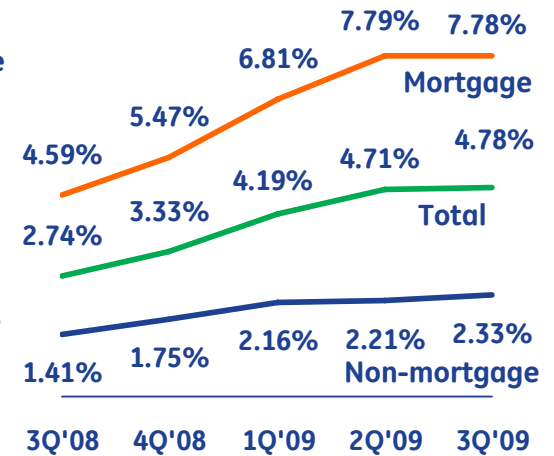
(a- managed assets)

## Consumer

### 30+ delinquency-a)



### Non-earners



## Drivers

- ✓ North America delinquencies up 31 bps. to 7.27%
  - Delinquency up from seasonal low but rate of increase slowing
- ✓ U.K. home lending down 9 bps. from 2Q
  - Continued improvement in HPI (3 consecutive months)
  - Net gains on REO sales vs. marks in all 3 quarters
- ✓ Global banking delinquencies flat ... strong collections efforts

**Tough environment ... but some signs of stabilization**

# Summary

- 1 Global environment improving but expecting gradual recovery
- 2 Very solid operating execution versus outlook for this year
- 3 Dramatically strengthened funding & balance sheet at GE Capital;  
GE parent is accumulating cash ... achieved safe & secure objectives
- 4 Highly valuable Industrial backlog ... service model is robust ...  
equipment margin expansion is proven
- 5 Will continue to invest for long-term growth