GE Capital

Second quarter 2013 supplement

Results are unaudited. 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 financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in sovereign debt situations; the impact of conditions in the financial and credit markets on the availability and cost of our funding and on our ability to reduce our asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (GE Money Japan); pending and future mortgage securitization claims and litigation in connection with WMC, which may affect our estimates of liability, including possible loss estimates; our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so; our ability to pay dividends to GE at the planned level; the level of demand and financial performance of the major industries GE serves, including, without limitation, air transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; our success in completing announced transactions and integrating acquired businesses; the impact of potential information technology or data security breaches; 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.

This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons.

Prior period amounts have been recast for discontinued operations.

Second quarter 2013 supplemental information

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GE Capital Structure

General Electric Company

General Electric Capital Corporation (GECC)

Consumer	Commercial Lending and Leasing (CLL)	Real Estate	Energy Financial Services (EFS)	GE Capital Aviation Services (GECAS)	Corporate
- Private label cards - Bank cards - Personal loans - Auto loans and leases - Mortgages & home equity loans - Debt consolidation - Deposit & other savings products - Small & medium enterprise lending	- Mid-market loans and leases of equipment and major capital assets - Mid-market equity capital	- Equity capital for acquisitions or recapitalization of commercial real estate - Fixed/floating rate mortgages for commercial real estate	- Structured debt, equity, leasing, partnership financing and project financing to global energy and water industries - Invests in operating assets in these industries	- Commercial aircraft leasing and financing - Project financing for airport facilities	- Treasury operations - Run-off insurance operations

Financial Statements

GE Capital – Condensed Statement of Earnings

(In millions)	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	June 30, 2013	June 30, 2012
	For the three months ended					For the six months ended	
Revenues							
Revenues from services	$ 10,949	$ 11,509	$ 11,643	$ 11,240	$ 11,328	$ 22,458	$ 22,638
Sales of goods	31	26	29	34	26	57	56
Total revenues	**10,980**	**11,535**	**11,672**	**11,274**	**11,354**	**22,515**	**22,694**
Cost and expenses							
Interest	2,405	2,400	2,699	2,798	2,979	4,805	6,164
Operating and administrative	3,136	3,219	3,240	3,020	3,031	6,355	5,876
Cost of goods sold	25	21	24	27	23	46	48
Investment contracts, insurance losses and insurance annuity benefits	728	689	713	798	702	1,417	1,473
Provision for losses on financing receivables (see pages 21, 24-25)	1,029	1,488	1,163	1,122	743	2,517	1,606
Depreciation and amortization	1,707	1,698	1,883	1,734	1,636	3,405	3,288
Total cost and expenses	**9,030**	**9,515**	**9,722**	**9,499**	**9,114**	**18,545**	**18,455**
Earnings from continuing operations before income taxes	**1,950**	**2,020**	**1,950**	**1,775**	**2,240**	**3,970**	**4,239**
Benefit (provision) for income taxes	(11)	(82)	(124)	(80)	(104)	(93)	(319)
Earnings from continuing operations	**1,939**	**1,938**	**1,826**	**1,695**	**2,136**	**3,877**	**3,920**
Earnings (loss) from discontinued operations, net of taxes	(121)	(109)	(306)	(107)	(553)	(230)	(750)
Net earnings (loss)	**1,818**	**1,829**	**1,520**	**1,588**	**1,583**	**3,647**	**3,170**
Less: net earnings (loss) attributable to noncontrolling interests	17	11	17	20	14	28	26
Net earnings (loss) attributable to GECC	**1,801**	**1,818**	**1,503**	**1,568**	**1,569**	**3,619**	**3,144**
Preferred stock dividends declared (a)	(135)	–	(123)	–	–	(135)	–
Net earnings attributable to GECC Common Shareowner	**$ 1,666**	**$ 1,818**	**$ 1,380**	**$ 1,568**	**$ 1,569**	**$ 3,484**	**$ 3,144**

(a) Represents declared dividends on 40,000 shares of non-cumulative perpetual preferred stock issued during 2012. Dividends on the GECC preferred stock are paid semi-annually, in June and December, with the first payment made in December 2012.

GE Capital – Condensed Statement of Comprehensive Income

(In millions)	For the three months ended June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	For the six months ended June 30, 2013	June 30, 2012
Net earnings (loss)	$ 1,818	$ 1,829	$ 1,520	$ 1,588	$ 1,583	$ 3,647	$ 3,170
Less: net earnings (loss) attributable to noncontrolling interests	17	11	17	20	14	28	26
Net earnings (loss) attributable to GECC	**1,801**	**1,818**	**1,503**	**1,568**	**1,569**	**3,619**	**3,144**
Other comprehensive income (loss)							
Investment securities	$ (602)	$ 66	$ 71	$ 128	$ 176	$ (536)	$ 508
Currency translation adjustments	(1)	8	25	529	(408)	7	(274)
Cash flow hedges	194	92	215	27	40	286	112
Benefit plans	9	13	(157)	(11)	19	22	(5)
Other comprehensive income (loss)	**(400)**	**179**	**154**	**673**	**(173)**	**(221)**	**341**
Less: other comprehensive income (loss) attributable to noncontrolling interests	(19)	(3)	11	2	(11)	(22)	(1)
Other comprehensive income (loss) attributable to GECC	**$ (381)**	**$ 182**	**$ 143**	**$ 671**	**$ (162)**	**$ (199)**	**$ 342**
Comprehensive income	1,418	2,008	1,674	2,261	1,410	3,426	3,511
Less: comprehensive income attributable to noncontrolling interests	(2)	8	28	22	3	6	25
Comprehensive income attributable to GECC	**$ 1,420**	**$ 2,000**	**$ 1,646**	**$ 2,239**	**$ 1,407**	**$ 3,420**	**$ 3,486**

GE Capital – Condensed Statement of Changes in Shareowners' Equity

(In millions)	For the three months ended June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	For the six months ended June 30, 2013	June 30, 2012
GECC shareowners' equity balance at beginning of period	$ 83,882	$ 81,890	$ 81,349	$ 79,827	$ 79,192	$ 81,890	$ 77,110
Increases from net earnings attributable to GECC	1,801	1,818	1,503	1,568	1,569	3,619	3,144
Dividends and other (a)	(2,082)	–	(1,102)	(2,447)	(3,000)	(2,082)	(3,000)
Other comprehensive income (loss) attributable to GECC	(381)	182	143	671	(162)	(199)	342
Changes in additional paid-in capital	991	(8)	(3)	1,730	2,228	983	2,231
Ending balance	**$ 84,211**	**$ 83,882**	**$ 81,890**	**$ 81,349**	**$ 79,827**	**$ 84,211**	**$ 79,827**
Noncontrolling interests	**550**	**587**	**707**	**711**	**759**	**550**	**759**
Total equity balance at end of period	**$ 84,761**	**$ 84,469**	**$ 82,597**	**$ 82,060**	**$ 80,586**	**$ 84,761**	**$ 80,586**
(a) Dividends to GE	(1,947)	–	(980)	(2,446)	(3,000)	(1,947)	(3,000)
Dividends on preferred stock	(135)	–	(123)	–	–	(135)	–

GE Capital – Condensed Statement of Financial Position

(In millions)	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Assets					
Cash and equivalents	$ 69,531	$ 67,721	$ 61,942	$ 77,667	$ 66,253
Investment securities (see page 31)	43,661	48,261	48,439	48,695	47,906
Inventories	88	80	79	73	60
Financing receivables - net (see pages 10 - 26)	257,092	258,324	268,951	271,623	273,984
Other receivables	15,710	14,400	13,917	13,706	13,634
Property, plant & equipment, less accumulated amortization of $25,928, $26,009, $26,113, $22,852 and $22,662	52,608	52,452	52,974	51,561	51,214
Goodwill	26,818	26,895	27,032	27,071	26,811
Other intangible assets - net	1,203	1,311	1,294	1,361	1,443
Other assets	52,382	58,047	62,201	64,868	71,882
Assets of businesses held for sale	165	171	211	2,700	3,039
Assets of discontinued operations	1,846	1,856	2,299	2,393	2,692
Total assets	**$ 521,104**	**$ 529,518**	**$ 539,339**	**$ 561,718**	**$ 558,918**
Liabilities and equity					
Short-term borrowings	$ 76,770	$ 82,662	$ 95,940	$ 113,587	$ 119,796
Accounts payable	7,093	7,079	6,259	6,990	7,680
Non-recourse borrowings of consolidated securitization entities	30,250	30,488	30,123	31,171	30,696
Bank deposits	48,597	49,427	46,461	45,196	41,942
Long-term borrowings	220,007	223,001	224,776	230,402	225,539
Investment contracts, insurance liabilities and insurance annuity benefits	27,615	28,681	28,696	28,806	28,328
Other liabilities	18,037	15,878	15,961	15,354	14,675
Deferred income taxes	5,588	5,522	5,988	6,061	7,506
Liabilities of businesses held for sale	7	4	157	206	283
Liabilities of discontinued operations	2,379	2,307	2,381	1,885	1,887
Total liabilities	**$ 436,343**	**$ 445,049**	**$ 456,742**	**$ 479,658**	**$ 478,332**
Common stock	-	-	-	-	-
Preferred stock	-	-	-	-	-
Accumulated other comprehensive income - net					
Investment securities	138	738	673	602	476
Currency translation adjustments	(102)	(119)	(131)	(145)	(673)
Cash flow hedges	(461)	(654)	(746)	(961)	(989)
Benefit plans	(714)	(723)	(736)	(579)	(568)
Additional paid-in capital	32,569	31,578	31,586	31,589	29,859
Retained earnings	52,781	53,062	51,244	50,843	51,722
Total GECC shareowners' equity	**84,211**	**83,882**	**81,890**	**81,349**	**79,827**
Noncontrolling interests	550	587	707	711	759
Total equity	**84,761**	**84,469**	**82,597**	**82,060**	**80,586**
Total liabilities and equity	**$ 521,104**	**$ 529,518**	**$ 539,339**	**$ 561,718**	**$ 558,918**

GE Capital – Continuing Operations

(In millions)	For the three months ended June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	For the six months ended June 30, 2013	June 30, 2012
Revenues	$ 10,980	$ 11,535	$ 11,672	$ 11,274	$ 11,354	$ 22,515	$ 22,694
Interest expense	(2,405)	(2,400)	(2,699)	(2,798)	(2,979)	(4,805)	(6,164)
Net revenues	**8,575**	**9,135**	**8,973**	**8,476**	**8,375**	**17,710**	**16,530**
Cost and expenses							
Selling, general and administrative	2,770	2,676	2,904	2,709	2,782	5,446	5,503
Depreciation and amortization	1,707	1,698	1,883	1,734	1,636	3,405	3,288
Operating and other expenses	1,119	1,253	1,073	1,136	974	2,372	1,894
Total costs and expenses	**5,596**	**5,627**	**5,860**	**5,579**	**5,392**	**11,223**	**10,685**
Earnings before income taxes and provisions for losses	**2,979**	**3,508**	**3,113**	**2,897**	**2,983**	**6,487**	**5,845**
Provision for losses on financing receivables	(1,029)	(1,488)	(1,163)	(1,122)	(743)	(2,517)	(1,606)
Earnings from continuing operations before income taxes	**1,950**	**2,020**	**1,950**	**1,775**	**2,240**	**3,970**	**4,239**
Benefit (provision) for income taxes	(11)	(82)	(124)	(80)	(104)	(93)	(319)
Earnings from continuing operations	**$ 1,939**	**$ 1,938**	**$ 1,826**	**$ 1,695**	**$ 2,136**	**$ 3,877**	**$ 3,920**
Less: net earnings (loss) attributable to noncontrolling interests	17	11	17	20	14	28	26
GE Capital segment profit	**$ 1,922**	**$ 1,927**	**$ 1,809**	**$ 1,675**	**$ 2,122**	**$ 3,849**	**$ 3,894**

(In millions)	For the three months ended June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	For the six months ended June 30, 2013	June 30, 2012
Segment profit							
CLL	$ 825	$ 398	$ 546	$ 563	$ 628	$ 1,223	$ 1,292
Consumer	828	523	755	749	907	1,351	1,736
Real Estate	435	690	309	217	221	1,125	277
EFS	60	83	107	132	122	143	193
GECAS	304	348	343	251	308	652	626
	$ 2,452	$ 2,042	$ 2,060	$ 1,912	$ 2,186	$ 4,494	$ 4,124
GE Capital corporate items and eliminations	(530)	(115)	(251)	(237)	(64)	(645)	(230)
GE Capital segment profit	**$ 1,922**	**$ 1,927**	**$ 1,809**	**$ 1,675**	**$ 2,122**	**$ 3,849**	**$ 3,894**

GE Capital Asset Quality

GE Capital – Assets by Region (a)

(In millions)	At June 30, 2013 Financing receivables (net)	June 30, 2013 Property, plant and equipment (net)	June 30, 2013 Total assets	March 31, 2013 Total assets	December 31, 2012 Total assets	September 30, 2012 Total assets	June 30, 2012 Total assets
U.S. (b)	$ 131,044	$ 11,559	$ 296,331	$ 300,331	$ 301,359	$ 322,842	$ 321,732
Europe (c)							
Western (including U.K.)	66,374	3,770	89,571	89,124	92,374	92,172	91,596
Eastern	15,905	167	23,305	23,099	23,842	23,677	22,853
Pacific Basin	20,660	2,388	39,223	41,258	44,374	45,500	45,614
Americas (excluding U.S.)	15,286	1,294	24,669	27,014	27,303	27,592	26,165
Other (d)	7,823	33,430	46,159	46,836	47,788	47,542	48,266
Total	**$ 257,092**	**$ 52,608**	**$ 519,258**	**$ 527,662**	**$ 537,040**	**$ 559,325**	**$ 556,226**
Total at March 31, 2013	**$ 258,324**	**$ 52,452**	**$ 527,662**				
Total at December 31, 2012	**$ 268,951**	**$ 52,974**	**$ 537,040**				
Total at September 30, 2012	**$ 271,623**	**$ 51,561**	**$ 559,325**				
Total at June 30, 2012	**$ 273,984**	**$ 51,214**	**$ 556,226**				

(a) Excludes assets of discontinued operations.

(b) Total assets include our global Treasury operations, including both U.S. and non U.S. cash equivalents.

(c) Total assets include non-financing assets (cash, goodwill and other intangible assets, property, plant and equipment and allowance for losses on financing receivables) of approximately $12,212 million at June 30, 2013.

(d) Includes total assets of $44,914 million at GECAS, approximately $11,728 million of which relates to European airlines and other investments at June 30, 2013.

GE Capital – Assets in Selected Emerging Markets (a)

(In millions)	June 30, 2013 Financing receivables (net)	June 30, 2013 Property, plant and equipment (net)	June 30, 2013 Total assets	March 31, 2013 Total assets	December 31, 2012 Total assets	September 30, 2012 Total assets	June 30, 2012 Total assets
Eastern Europe							
Poland	$ 7,539	$ 85	$ 10,854	$ 10,922	$ 11,094	$ 10,991	$ 10,575
Czech Republic	4,977	33	6,997	6,856	6,913	7,039	6,805
Hungary	2,595	37	4,096	3,952	4,222	4,031	3,915
Total Eastern Europe	15,111	155	21,947	21,730	22,229	22,061	21,295
Pacific Basin and Other							
India	770	15	1,171	1,254	1,446	1,418	1,475
Thailand	160	–	1,562	1,593	1,477	1,831	1,737
Total Pacific Basin and Other	930	15	2,733	2,847	2,923	3,249	3,212
Americas							
Mexico	5,470	839	7,476	7,969	7,861	8,179	7,618
Total Americas	5,470	839	7,476	7,969	7,861	8,179	7,618
Total	$ 21,511	$ 1,009	$ 32,156	$ 32,546	$ 33,013	$ 33,489	$ 32,125
Total at March 31, 2013	$ 21,813	$ 1,004	$ 32,546				
Total at December 31, 2012	$ 22,592	$ 1,013	$ 33,013				
Total at September 30, 2012	$ 22,156	$ 965	$ 33,489				
Total at June 30, 2012	$ 21,692	$ 965	$ 32,125				

(a) We have disclosed here selected emerging markets where our total assets at June 30, 2013 exceed $1 billion. Assets of discontinued operations are excluded.

GE Capital – CLL Portfolio Overview (a)

(In millions)

Balances	Financing receivables (b)				
CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Americas	$ 70,499	$ 72,318	$ 72,517	$ 74,488	$ 77,241
Europe	35,839	35,435	37,035	34,916	34,722
Asia	9,907	10,158	11,401	11,597	11,313
Other	506	534	605	659	711
Total	**$ 116,751**	**$ 118,445**	**$ 121,558**	**$ 121,660**	**$ 123,987**
	Nonearning receivables (c)				
CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Americas	$ 1,232	$ 1,401	$ 1,333	$ 1,600	$ 1,739
Europe	958	1,122	1,299	1,533	1,390
Asia	177	170	193	206	232
Other	–	9	52	53	9
Total	**$ 2,367**	**$ 2,702**	**$ 2,877**	**$ 3,392**	**$ 3,370**
	Allowance for losses (d)				
CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Americas	$ 480	$ 490	$ 490	$ 567	$ 662
Europe	329	411	445	574	484
Asia	72	72	80	72	87
Other	–	3	6	2	1
Total	**$ 881**	**$ 976**	**$ 1,021**	**$ 1,215**	**$ 1,234**
	Write-offs (net) - for three months ending				
CLL	June 30, 2013	March 31, 2013	December 31, 2012 (e)	September 30, 2012	June 30, 2012
Americas	$ 118	$ 73	$ 111	$ 92	$ 121
Europe	151	112	232	35	33
Asia	26	14	14	17	29
Other	3	–	–	8	–
Total	**$ 298**	**$ 199**	**$ 357**	**$ 152**	**$ 183**

(a) Local currency exposure includes amounts payable to the Corporation by borrowers with a country of residence other than the one in which the credit is booked.

(b) Financing receivables include impaired loans of $4,275 million at June 30, 2013.

(c) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(d) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(e) Includes write-offs resulting from the modification to our write-off policy, effective October 1, 2012, in line with regulatory guidance, where we now write off a portion of the loans against specific reserves carried for more than 12 months.

GE Capital – CLL Portfolio Overview

Ratios

CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Nonearning receivables as a percent of financing receivables (a)					
Americas	1.7%	1.9%	1.8%	2.1%	2.3%
Europe	2.7	3.2	3.5	4.4	4.0
Asia	1.8	1.7	1.7	1.8	2.1
Other	–	1.7	8.6	8.0	1.3
Total	2.0	2.3	2.4	2.8	2.7

CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Allowance for losses as a percent of nonearning receivables (b)					
Americas	39.0%	35.0%	36.8%	35.4%	38.1%
Europe	34.3	36.6	34.3	37.4	34.8
Asia	40.7	42.4	41.5	35.0	37.5
Other	–	33.3	11.5	3.8	11.1
Total	37.2	36.1	35.5	35.8	36.6

CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Allowance for losses as a percent of total financing receivables (b)					
Americas	0.7%	0.7%	0.7%	0.8%	0.9%
Europe	0.9	1.2	1.2	1.6	1.4
Asia	0.7	0.7	0.7	0.6	0.8
Other	–	0.6	1.0	0.3	0.1
Total	0.8	0.8	0.8	1.0	1.0

CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Write-offs (net) as a percent of financing receivables (c)					
Americas	0.7%	0.4%	0.6%	0.5%	0.6%
Europe	1.7	1.2	2.6	0.4	0.4
Asia	1.0	0.5	0.5	0.6	1.0
Other	2.3	–	–	4.7	–
Total	1.0	0.7	1.2	0.5	0.6

CLL	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
CLL					
Delinquency	1.75%	1.88%	1.87%	2.01%	1.90%

(a) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(b) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(c) Write-offs percent is calculated as the ratio of annualized write-offs for the quarter divided by average of financing receivables at the beginning and end of the period.

GE Capital – EFS, GECAS and Commercial Other Portfolio Overview

(In millions)

Balances	**Financing receivables (a)**				
	June 30, 2013	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
EFS	$ 4,671	$ 4,734	$ 4,851	$ 4,989	$ 5,159
GECAS	9,998	10,557	10,915	11,628	12,046
Other	425	456	486	537	587
	Nonearning receivables (b)				
	June 30, 2013	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
EFS	$ 4	$ –	$ –	$ 2	$ 2
GECAS	–	–	–	50	56
Other	6	13	13	16	22
	Allowance for losses (c)				
	June 30, 2013	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
EFS	$ 8	$ 8	$ 9	$ 13	$ 12
GECAS	11	7	8	12	32
Other	2	2	3	9	12
	Write-offs (net) - for three months ending				
	June 30, 2013	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
EFS	$ –	$ –	$ –	$ (3)	$ 24
GECAS	–	–	2	–	11
Other	–	1	3	2	10

(a) Financing receivables include $4 million, zero, and $12 million of impaired loans at EFS, GECAS, and Other, respectively, at June 30, 2013.

(b) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(c) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

GE Capital – EFS, GECAS and Commercial Other Portfolio Overview

Ratios	Nonearning receivables as a percent of financing receivables (a)				
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
EFS	0.1%	– %	– %	– %	– %
GECAS	–	–	–	0.4	0.5
Other	1.4	2.9	2.7	3.0	3.7

	Allowance for losses as a percent of nonearning receivables (b)				
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
EFS	200.0%	– %	– %	650.0%	600.0%
GECAS	–	–	–	24.0	57.1
Other	33.3	15.4	23.1	56.3	54.5

	Allowance for losses as a percent of total financing receivables (b)				
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
EFS	0.2%	0.2%	0.2%	0.3%	0.2%
GECAS	0.1	0.1	0.1	0.1	0.3
Other	0.5	0.4	0.6	1.7	2.0

	Write-offs (net) as a percent of financing receivables (c)				
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
EFS	– %	– %	– %	(0.2)%	1.8%
GECAS	–	–	0.1	–	0.4
Other	–	0.8	2.3	1.4	6.3

(a) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(b) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(c) Write-offs percent is calculated as the ratio of annualized write-offs for the quarter divided by average of financing receivables at the beginning and end of the period.

GE Capital – Real Estate Portfolio Overview (a)

(In millions, unless otherwise noted)

Balances	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Financing receivables (b)	$ 19,621	$ 19,733	$ 20,946	$ 26,294	$ 27,710
Nonearning receivables (c)	419	456	444	682	630
Allowance for losses (d)	235	265	320	736	787
Write-offs (net) - for three months ending (e)	34	29	350	115	146

(a) On October 1, 2012, we sold a significant portion of our Business Properties business in Real Estate. As a result, prior period disclosures have been recast to combine the Real Estate Debt business and the remaining owner occupied/credit tenant portfolio.

(b) Financing receivables include $4,728 million of impaired loans at June 30, 2013.

(c) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(d) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(e) Includes write-offs resulting from the modification to our write-off policy, effective October 1, 2012, in line with regulatory guidance, where we now write off a portion of the loans against specific reserves carried for more than 12 months.

GE Capital – Real Estate Portfolio Overview (a)

Ratios	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Nonearning receivables as a percent of financing receivables (b)	2.1 %	2.3 %	2.1 %	2.6 %	2.3 %
Allowance for losses as a percent of nonearning receivables (c)	56.1	58.1	72.1	107.9	124.9
Allowance for losses as a percent of total financing receivables (c)	1.2	1.3	1.5	2.8	2.8
Write-offs (net) as a percent of financing receivables (d)	0.7	0.6	5.9	1.7	2.0
Delinquency	2.10	2.16	2.27	2.84	2.81

(a) On October 1, 2012, we sold a significant portion of our Business Property business in Real Estate. As a result, prior period disclosures have been recast to combine the Real Estate Debt business and the remaining owner occupied/credit tenant portfolio.

(b) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(c) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(d) Write-offs percent is calculated as the ratio of annualized write-offs for the quarter divided by average of financing receivables at the beginning and end of the period.

GE Capital – Consumer Portfolio Overview

(In millions)

Balances

	Financing receivables (a)				
Consumer	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
Non-U.S. residential mortgages	$ 31,784	$ 31,689	$ 33,451	$ 33,855	$ 33,826
Non-U.S. installment and revolving credit	17,620	18,050	18,546	18,504	17,960
U.S. installment and revolving credit	50,155	48,523	50,853	46,939	45,531
Non-U.S. auto	3,808	3,937	4,260	4,601	4,740
Other	7,547	7,559	8,070	7,996	7,643
Total	**$ 110,914**	**$ 109,758**	**$ 115,180**	**$ 111,895**	**$ 109,700**

	Nonearning receivables (b)				
Consumer	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
Non-U.S. residential mortgages	$ 2,388	$ 2,452	$ 2,569	$ 2,659	$ 2,720
Non-U.S. installment and revolving credit	225	231	224	234	243
U.S. installment and revolving credit	822	931	1,026	896	773
Non-U.S. auto	21	23	24	27	28
Other	324	342	351	339	380
Total	**$ 3,780**	**$ 3,979**	**$ 4,194**	**$ 4,155**	**$ 4,144**

	Allowance for losses (c)				
Consumer	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
Non-U.S. residential mortgages	$ 517	$ 477	$ 480	$ 467	$ 481
Non-U.S. installment and revolving credit	663	712	623	654	665
U.S. installment and revolving credit	2,714	2,665	2,282	2,030	1,724
Non-U.S. auto	62	66	67	73	79
Other	195	181	172	171	179
Total	**$ 4,151**	**$ 4,101**	**$ 3,624**	**$ 3,395**	**$ 3,128**

	Write-offs (net) - for three months ending				
Consumer	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**	**June 30, 2012**
Non-U.S. residential mortgages	$ 44	$ 43	$ 35	$ 22	$ 43
Non-U.S. installment and revolving credit	100	107	115	91	121
U.S. installment and revolving credit	597	581	601	551	575
Non-U.S. auto	11	13	9	11	11
Other	23	45	46	48	37
Total	**$ 775**	**$ 789**	**$ 806**	**$ 723**	**$ 787**

(a) Financing receivables include impaired loans of $3,209 million at June 30, 2013.

(b) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(c) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

GE Capital – Consumer Portfolio Overview

Ratios	Nonearning receivables as a percent of financing receivables (a)				
Consumer	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Non-U.S. residential mortgages	7.5%	7.7%	7.7%	7.9%	8.0%
Non-U.S. installment and revolving credit	1.3	1.3	1.2	1.3	1.4
U.S. installment and revolving credit	1.6	1.9	2.0	1.9	1.7
Non-U.S. auto	0.6	0.6	0.6	0.6	0.6
Other	4.3	4.5	4.3	4.2	5.0
Total	**3.4**	**3.6**	**3.6**	**3.7**	**3.8**

	Allowance for losses as a percent of nonearning receivables (b)				
Consumer	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Non-U.S. residential mortgages	21.6%	19.5%	18.7%	17.6%	17.7%
Non-U.S. installment and revolving credit	294.7	308.2	278.1	279.5	273.7
U.S. installment and revolving credit	330.2	286.3	222.4	226.6	223.0
Non-U.S. auto	295.2	287.0	279.2	270.4	282.1
Other	60.2	52.9	49.0	50.4	47.1
Total	**109.8**	**103.1**	**86.4**	**81.7**	**75.5**

	Allowance for losses as a percent of total financing receivables (b)				
Consumer	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Non-U.S. residential mortgages	1.6%	1.5%	1.4%	1.4%	1.4%
Non-U.S. installment and revolving credit	3.8	3.9	3.4	3.5	3.7
U.S. installment and revolving credit	5.4	5.5	4.5	4.3	3.8
Non-U.S. auto	1.6	1.7	1.6	1.6	1.7
Other	2.6	2.4	2.1	2.1	2.3
Total	**3.7**	**3.7**	**3.1**	**3.0**	**2.9**

	Write-offs (net) as a percent of financing receivables (c)				
Consumer	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Non-U.S. residential mortgages	0.6%	0.5%	0.4%	0.3%	0.5%
Non-U.S. installment and revolving credit	2.2	2.3	2.5	2.0	2.6
U.S. installment and revolving credit	4.8	4.7	4.9	4.8	5.1
Non-U.S. auto	1.1	1.3	0.8	0.9	0.9
Other	1.2	2.3	2.3	2.5	2.0
Total	**2.8**	**2.8**	**2.8**	**2.6**	**2.9**

	Consumer				
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Delinquency	6.08%	6.10%	6.46%	6.69%	6.74%

(a) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(b) Losses on financing receivables are recognized when they are incurred, which requires us to make our best estimate of probable losses inherent in the portfolio. Such estimate requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values (including housing price indices as applicable), and the present and expected future levels of interest rates. Our risk management process includes standards and policies for reviewing major risk exposures and concentrations, and evaluates relevant data either for individual loans or financing leases, on a portfolio basis, as appropriate. Loans acquired in a business acquisition are recorded at fair value, which incorporates our estimate at the acquisition date of the credit losses over the remaining life of the portfolio. As a result, the allowance for loan losses is not carried over at acquisition. This may have the effect of causing lower reserve coverage ratios for those portfolios.

(c) Write-offs percent is calculated as the ratio of annualized write-offs for the quarter divided by average of financing receivables at the beginning and end of the period.

GE Capital – Nonearning and Nonaccrual Financing Receivables

($ millions, unless otherwise noted)

June 30, 2013	Nonearning financing receivables (a)	Nonaccrual financing receivables (b)
Commercial		
CLL	$ 2,367	$ 3,397
EFS	4	4
GECAS	–	–
Other	6	12
Total Commercial	**2,377**	**3,413**
Real Estate	**419**	**4,294**
Consumer	**3,780**	**3,846**
Total	**$ 6,576**	**$ 11,553**

(a) Nonearning receivables are those that are 90 days or more past due (or for which collection is otherwise doubtful). Nonearning receivables exclude loans purchased at a discount (unless they have deteriorated post acquisition). Under FASB ASC 310, Receivables, these loans are initially recorded at fair value and accrete interest income over the estimated life of the loan based on reasonably estimable cash flows even if the underlying loans are contractually delinquent at acquisition. In addition, nonearning receivables exclude loans that are paying on a cash accounting basis but classified as nonaccrual and impaired.

(b) Nonaccrual financing receivables are those on which we have stopped accruing interest. We stop accruing interest at the earlier of the time at which collection of an account becomes doubtful or the account becomes 90 days past due. Total nonaccrual financing receivables of $11.6 billion includes $6.6 billion classified as nonearning financing receivables. Substantially all of this difference relates to loans which are classified as nonaccrual financing receivables but are paying on a cash accounting basis, and therefore are excluded from nonearning financing receivables.

GE Capital – Consumer Allowance for Losses on Financing Receivables

(In millions)	Balance January 1, 2013	Provision charged to operations	Other (a)	Gross write-offs (b)	Recoveries (b)	Balance June 30, 2013
Consumer						
Non-U.S. residential mortgages	$ 480	$ 125	$ (1)	$ (113)	$ 26	$ 517
Non-U.S. installment and revolving credit	623	279	(32)	(498)	291	663
U.S. installment and revolving credit	2,282	1,660	(50)	(1,464)	286	2,714
Non-U.S. auto	67	24	(5)	(62)	38	62
Other	172	82	9	(103)	35	195
Total Consumer	$ 3,624	$ 2,170	$ (79)	$ (2,240)	$ 676	$ 4,151

(In millions)	Balance January 1, 2012	Provision charged to operations	Other (a)	Gross write-offs (b)	Recoveries (b)	Balance June 30, 2012
Consumer						
Non-U.S. residential mortgages	$ 546	$ 65	$ (2)	$ (165)	$ 37	$ 481
Non-U.S. installment and revolving credit	717	220	(8)	(543)	279	665
U.S. installment and revolving credit	2,008	937	(5)	(1,488)	272	1,724
Non-U.S. auto	101	15	(9)	(77)	49	79
Other	199	55	8	(124)	41	179
Total Consumer	$ 3,571	$ 1,292	$ (16)	$ (2,397)	$ 678	$ 3,128

(a) Other primarily included the effects of currency exchange.

(b) Net write-offs (write-offs less recoveries) in certain portfolios may exceed the beginning allowance for losses as a result of losses that are incurred subsequent to the beginning of the fiscal year due to information becoming available during the current year, which may identify further deterioration on existing financing receivables.

GE Capital – Consumer Financing Receivables by Region

(In millions)

June 30, 2013	Mortgages	Installment and revolving credit	Auto	Other (a)	Total
U.S.	$ -	$ 50,155	$ -	$ 1,444	$ 51,599
Europe					
Western	24,812	6,431	2,920	1,513	35,676
Eastern	6,830	4,477	500	4,482	16,289
Pacific Basin	142	6,614	388	100	7,244
Americas	-	98	-	8	106
Other	-	–	-	-	–
Total at June 30, 2013	$ 31,784	$ 67,775	$ 3,808	$ 7,547	$ 110,914

March 31, 2013	Mortgages	Installment and revolving credit	Auto	Other (a)	Total
U.S.	$ -	$ 48,523	$ -	$ 1,307	$ 49,830
Europe					
Western	24,650	6,398	2,953	1,585	35,586
Eastern	6,874	4,479	536	4,527	16,416
Pacific Basin	165	7,077	448	135	7,825
Americas	-	96	-	5	101
Other	-	-	-	-	-
Total at March 31, 2013	$ 31,689	$ 66,573	$ 3,937	$ 7,559	$ 109,758

December 31, 2012	Mortgages	Installment and revolving credit	Auto	Other (a)	Total
U.S.	$ -	$ 50,853	$ -	$ 1,345	$ 52,198
Europe					
Western	26,150	6,574	3,189	1,704	37,617
Eastern	7,122	4,622	585	4,845	17,174
Pacific Basin	179	7,241	486	171	8,077
Americas	–	109	-	5	114
Other	–	–	-	-	–
Total at December 31, 2012	$ 33,451	$ 69,399	$ 4,260	$ 8,070	$ 115,180

September 30, 2012	Mortgages	Installment and revolving credit	Auto	Other (a)	Total
U.S.	$ -	$ 46,939	$ -	$ 1,373	$ 48,312
Europe					
Western	26,494	6,623	3,278	1,863	38,258
Eastern	7,172	4,699	623	4,651	17,145
Pacific Basin	189	7,060	700	104	8,053
Americas	–	121	-	5	126
Other	–	1	-	-	1
Total at September 30, 2012	$ 33,855	$ 65,443	$ 4,601	$ 7,996	$ 111,895

June 30, 2012	Mortgages	Installment and revolving credit	Auto	Other (a)	Total
U.S.	$ -	$ 45,531	$ -	$ 1,363	$ 46,894
Europe					
Western	26,270	6,500	3,364	1,870	38,004
Eastern	7,094	4,436	630	4,301	16,461
Pacific Basin	190	6,899	746	104	7,939
Americas	–	124	-	5	129
Other	272	1	–	-	273
Total at June 30, 2012	$ 33,826	$ 63,491	$ 4,740	$ 7,643	$ 109,700

(a) Represents mainly small and medium enterprise loans.

GE Capital – Consumer Mortgage Portfolio by Country (a)

($ in millions)

June 30, 2013	Financing receivables	As a % of total	Nonearning receivables	Delinquent more than 30 days
U.K. (b) (c)	$ 15,195	47.8%	11.0%	18.5 %
France (c)	7,829	24.6	3.7	4.2
Poland	4,992	15.7	1.5	2.6
Czech Republic	954	3.0	2.7	3.4
Netherlands	798	2.5	2.3	2.4
Hungary	792	2.5	22.4	25.5
Spain	780	2.5	11.3	21.6
All other	444	1.4	8.6	13.2
Total at June 30, 2013 (d)	**$ 31,784**	**100.0%**	**7.5%**	**11.8%**

March 31, 2013	Financing receivables	As a % of total	Nonearning receivables	Delinquent more than 30 days
U.K.	$ 14,981	47.3%	11.6%	17.5%
France	7,865	24.8	3.6	3.9
Poland	4,992	15.8	1.5	2.5
Czech Republic	975	3.1	2.7	3.4
Netherlands	801	2.5	1.5	1.9
Hungary	793	2.5	21.6	25.0
Spain	789	2.5	12.3	23.4
All other	493	1.6	7.6	13.1
Total at March 31, 2013	**$ 31,689**	**100.0%**	**7.7%**	**11.2%**

December 31, 2012	Financing receivables	As a % of total	Nonearning receivables	Delinquent more than 30 days
U.K.	$ 16,245	48.6%	11.4%	18.8%
France	8,046	24.1	3.5	3.8
Poland	5,174	15.5	1.3	2.9
Czech Republic	1,029	3.1	2.6	3.4
Netherlands	824	2.5	1.3	1.6
Hungary	818	2.4	20.3	24.7
Spain	810	2.4	12.9	23.0
All other	505	1.5	13.3	13.4
Total at December 31, 2012	**$ 33,451**	**100.0%**	**7.7%**	**12.0%**

September 30, 2012	Financing receivables	As a % of total	Nonearning receivables	Delinquent more than 30 days
U.K.	$ 16,517	48.8%	11.8%	19.2%
France	8,086	23.9	3.5	3.8
Poland	5,182	15.3	1.3	2.5
Czech Republic	1,080	3.2	2.6	3.3
Netherlands	834	2.5	1.6	1.8
Hungary	806	2.4	18.3	23.3
Spain	829	2.4	13.8	24.2
All other	521	1.5	13.8	16.0
Total at September 30, 2012	**$ 33,855**	**100.0%**	**7.9%**	**12.2%**

June 30, 2012	Financing receivables	As a % of total	Nonearning receivables	Delinquent more than 30 days
U.K.	$ 16,344	48.3%	12.2%	19.9%
France	8,025	23.7	3.4	3.8
Poland	5,162	15.3	1.3	2.6
Czech Republic	1,042	3.1	2.5	3.2
Netherlands	839	2.5	1.6	2.0
Hungary	781	2.3	17.8	22.4
Spain	833	2.5	14.2	26.6
All other	800	2.4	9.4	11.2
Total at June 30, 2012	**$ 33,826**	**100.0%**	**8.0%**	**12.5%**

(a) Consumer loans secured by residential real estate (both revolving and closed-end loans) are written down to the fair value of collateral, less costs to sell, no later than when they become 360 days past due.

(b) At June 30, 2013, we had in repossession stock 501 houses in the U.K., which had a value of approximately $0.1 billion.

(c) Our U.K. and France portfolios have reindexed loan-to-value ratios of 80% and 57%, respectively.

(d) At June 30, 2013, net of credit insurance, about 40% of this portfolio comprised loans with introductory, below market rates that are scheduled to adjust at future dates; with high loan-to-value ratios at inception (greater than 90%); whose terms permitted interest-only payments; or whose terms resulted in negative amortization. At origination, we underwrite loans with an adjustable rate to the reset value. About 85% of these loans are in our U.K. and France portfolios, which comprise mainly loans with interest-only payments, high loan-to-value ratios at inception and introductory below market rates, have a delinquency rate of 15% and have a loan-to-value ratio at origination of 82%. At June 30, 2013, 11% (based on dollar values) of these loans in our U.K. and France portfolios have been restructured.

GE Capital – Commercial Allowance for Losses on Financing Receivables

(In millions)	Balance January 1, 2013	Provision charged to operations	Other (a)	Gross write-offs (b)	Recoveries (b)	Balance June 30, 2013
CLL						
Americas	$ 490	$ 182	$ (1)	$ (249)	$ 58	$ 480
Europe	445	146	1	(304)	41	329
Asia	80	39	(7)	(47)	7	72
Other	6	(3)	–	(3)	–	–
EFS	9	(1)	–	–	–	8
GECAS	8	3	–	–	–	11
Other	3	–	–	(1)	–	2
Total Commercial	$ 1,041	$ 366	$ (7)	$ (604)	$ 106	$ 902

(In millions)	Balance January 1, 2012	Provision charged to operations	Other (a)	Gross write-offs (b)	Recoveries (b)	Balance June 30, 2012
CLL						
Americas	$ 889	$ 57	$ (30)	$ (306)	$ 52	$ 662
Europe	400	158	(15)	(95)	36	484
Asia	157	13	(3)	(89)	9	87
Other	4	–	(1)	(2)	–	1
EFS	26	10	–	(24)	–	12
GECAS	17	26	–	(11)	–	32
Other	37	5	(20)	(10)	–	12
Total Commercial	$ 1,530	$ 269	$ (69)	$ (537)	$ 97	$ 1,290

(a) Other primarily included the effects of currency exchange.

(b) Net write-offs (write-offs less recoveries) in certain portfolios may exceed the beginning allowance for losses as a result of losses that are incurred subsequent to the beginning of the fiscal year due to information becoming available during the current year, which may identify further deterioration on existing financing receivables.

GE Capital – Real Estate Allowance for Losses on Financing Receivables (a)

(In millions)	Balance January 1, 2013	Provision charged to operations	Other (b)	Gross write-offs	Recoveries	Balance June 30, 2013
Allowance for losses on Financing Receivables	$ 320	$ (19)	$ (3)	$ (65)	$ 2	$ 235

(In millions)	Balance January 1, 2012	Provision charged to operations	Other (b)	Gross write-offs	Recoveries	Balance June 30, 2012
Allowance for losses on Financing Receivables	$ 1,089	$ 45	$ (15)	$ (339)	$ 7	$ 787

(a) On October 1, 2012, we sold a significant portion of our Business Property business in Real Estate. As a result, prior period disclosures have been recast to combine the Real Estate Debt business and the remaining owner occupied/credit tenant portfolio.

(b) Other primarily included the effects of currency exchange.

GE Capital – Real Estate Debt Overview

(In millions)

	Financing receivables				
Region	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
U.S.	$ 10,163	$ 10,041	$ 10,434	$ 15,486	$ 16,687
Europe	3,128	3,236	3,483	3,798	3,802
Pacific Basin	1,113	1,268	1,683	1,873	2,117
Americas	5,217	5,188	5,346	5,137	5,104
Total (a)	**$ 19,621**	**$ 19,733**	**$ 20,946**	**$ 26,294**	**$ 27,710**

	Financing receivables				
Property type	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Office buildings	$ 4,794	$ 4,682	$ 5,217	$ 5,966	$ 6,043
Owner occupied	1,083	1,135	1,200	5,069	5,301
Apartment buildings	3,063	3,143	3,410	3,680	3,828
Hotel properties	3,423	3,147	3,244	3,389	3,490
Warehouse properties	2,714	2,825	2,899	2,736	3,393
Retail facilities	2,485	2,661	2,938	3,174	3,112
Mixed use	673	690	624	672	738
Parking facilities	6	24	25	69	71
Other	1,380	1,426	1,389	1,539	1,734
Total (a)	**$ 19,621**	**$ 19,733**	**$ 20,946**	**$ 26,294**	**$ 27,710**

Vintage profile	June 30, 2013	Contractual maturities	June 30, 2013
Originated in		Due in	
pre-2010	$ 13,067	2013 and prior (b)	$ 3,924
2010	174	2014	3,909
2011	1,461	2015	3,593
2012	2,793	2016	3,406
2013	2,126	2017 and later	4,789
Total	**$ 19,621**	**Total**	**$ 19,621**

(a) Represents total gross financing receivables for Real Estate only.

(b) Includes $310 million relating to loans with contractual maturities prior to June 30, 2013.

GE Capital – Real Estate Equity Overview (a)

($ in millions)

Region			Equity		
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
U.S.	$ 4,975	$ 5,125	$ 5,767	$ 6,044	$ 6,309
Europe	6,976	6,887	7,169	7,456	7,235
Pacific Basin	4,848	5,571	6,391	6,696	6,763
Americas	348	1,211	1,303	2,068	2,624
Total	**$ 17,147**	**$ 18,794**	**$ 20,630**	**$ 22,264**	**$ 22,931**

Property type			Equity		
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Office buildings	$ 9,873	$ 10,950	$ 11,693	$ 12,143	$ 12,385
Apartment buildings	2,628	2,690	2,941	3,088	3,320
Warehouse properties	1,477	1,774	1,835	2,674	2,797
Retail facilities	1,416	1,515	2,026	2,091	2,014
Mixed use	886	902	854	900	965
Parking facilities	5	6	6	6	8
Owner occupied	247	318	342	415	491
Hotel properties	216	218	220	209	274
Other	399	421	713	738	677
Total	**$ 17,147**	**$ 18,794**	**$ 20,630**	**$ 22,264**	**$ 22,931**

Key metrics	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Owned real estate (b)	$ 15,219	$ 16,666	$ 18,126	$ 19,733	$ 20,384
Net operating income (annualized)	$ 811	$ 983	$ 1,077	$ 1,194	$ 1,239
Net operating income yield (c)	5.1%	5.7%	5.7%	6.0%	6.0%
End of period vacancies (d)	19.7%	18.1%	18.2%	17.6%	18.0%
Foreclosed properties (e)	$ 907	$ 911	$ 893	$ 954	$ 966

Vintage profile	June 30, 2013
Originated in	
pre-2010	$ 16,616
2010	37
2011	147
2012	222
2013	125
Total	$ 17,147

(a) Includes real estate investments related to Real Estate only. Excludes foreclosed properties.

(b) Excludes joint ventures, equity investment securities, and foreclosed properties.

(c) Net operating income yield is calculated as annualized net operating income for the relevant quarter as a percentage of the average owned real estate.

(d) Excludes hotel properties, apartment buildings and parking facilities.

(e) Excludes foreclosed properties related to loans acquired at a discount with an expectation to foreclose.

GE Capital – Equipment Leased to Others (ELTO), Net of Depreciation and Amortization Overview

(In millions)

June 30, 2013 Collateral type	CLL	GECAS	EFS	Consumer	Total
Aircraft	$ 2,569	$ 33,406	$ –	$ –	$ 35,975
Vehicles	8,253	–	–	1	8,254
Railroad rolling stock	3,120	–	–	–	3,120
Construction and manufacturing	2,017	–	–	–	2,017
All other	1,684	–	519	3	2,206
Total at June 30, 2013	**$ 17,643**	**$ 33,406**	**$ 519**	**$ 4**	**$ 51,572**

March 31, 2013 Collateral type	CLL	GECAS	EFS	Consumer	Total
Aircraft	$ 2,782	$ 33,011	$ –	$ –	$ 35,793
Vehicles	8,502	–	–	1	8,503
Railroad rolling stock	3,135	–	–	–	3,135
Construction and manufacturing	1,950	–	–	–	1,950
All other	1,545	–	524	3	2,072
Total at March 31, 2013	**$ 17,914**	**$ 33,011**	**$ 524**	**$ 4**	**$ 51,453**

December 31, 2012 Collateral type	CLL	GECAS	EFS	Consumer	Total
Aircraft	$ 2,809	$ 33,422	$ –	$ –	$ 36,231
Vehicles	8,633	–	–	1	8,634
Railroad rolling stock	2,744	–	–	–	2,744
Construction and manufacturing	2,069	–	–	–	2,069
All other	1,492	–	795	3	2,290
Total at December 31, 2012	**$ 17,747**	**$ 33,422**	**$ 795**	**$ 4**	**$ 51,968**

September 30, 2012 Collateral type	CLL	GECAS	EFS	Consumer	Total
Aircraft	$ 3,150	$ 32,689	$ –	$ –	$ 35,839
Vehicles	7,731	–	–	2	7,733
Railroad rolling stock	2,755	–	–	–	2,755
Construction and manufacturing	1,893	–	–	–	1,893
All other	1,499	–	802	3	2,304
Total at September 30, 2012	**$ 17,028**	**$ 32,689**	**$ 802**	**$ 5**	**$ 50,524**

June 30, 2012 Collateral type	CLL	GECAS	EFS	Consumer	Total
Aircraft	$ 3,033	$ 32,387	$ –	$ –	$ 35,420
Vehicles	7,534	–	–	2	7,536
Railroad rolling stock	2,797	–	–	–	2,797
Construction and manufacturing	1,829	–	–	–	1,829
All other	1,663	–	825	4	2,492
Total at June 30, 2012	**$ 16,856**	**$ 32,387**	**$ 825**	**$ 6**	**$ 50,074**

GE Capital – Commercial Aircraft Asset Details

Collateral type (in millions)	Loans and leases June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Narrow-body aircraft	$ 25,307	$ 24,964	$ 25,570	$ 25,394	$ 25,141
Wide-body aircraft	8,411	8,766	8,949	8,716	8,989
Cargo	2,847	2,961	3,012	3,457	3,422
Regional jets	4,573	4,568	4,585	4,560	4,695
Engines	2,154	2,202	2,107	2,076	2,074
Total (a)	**$ 43,292**	**$ 43,461**	**$ 44,223**	**$ 44,203**	**$ 44,321**

Airline regions (in millions)	Loans and leases June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
U.S.	$ 12,525	$ 13,173	$ 13,360	$ 13,499	$ 13,992
Europe	10,388	10,443	10,629	10,813	10,789
Pacific Basin	8,147	7,864	7,904	8,010	7,830
Americas	5,475	5,309	5,279	5,060	5,083
Other	6,757	6,672	7,051	6,821	6,627
Total (a)	**$ 43,292**	**$ 43,461**	**$ 44,223**	**$ 44,203**	**$ 44,321**

GECAS-owned aircraft vintage profile (in millions)	June 30, 2013
0 - 5 years	$ 15,929
6 - 10 years	10,466
11 - 15 years	7,102
15+ years	2,059
Total (b)	**$ 35,556**

(a) Includes loans and financing leases of $9,998 million, $10,557 million, $10,915 million, $11,628 million and $12,046 million (less non-aircraft loans and financing leases of $112 million, $107 million, $114 million, $114 million and $112 million) and ELTO of $33,406 million, $33,011 million, $33,422 million, $32,689 million, and $32,387 million at June 30, 2013, March 31, 2013, December 31, 2012, September 30, 2012 and June 30, 2012, respectively, related to commercial aircraft at GECAS.

(b) Includes aircraft owned by GECAS and leased to others; excludes engines and loans.

GE Capital Other Key Areas

GE Capital – Investment Securities

(In millions)	At June 30, 2013 Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	At December 31, 2012 Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Debt								
U.S. corporate	$ 19,924	$ 2,662	$ (182)	$ 22,404	$ 20,233	$ 4,201	$ (302)	$ 24,132
State and municipal	4,195	296	(175)	4,316	4,084	575	(113)	4,546
Residential mortgage-backed (a)	2,034	150	(68)	2,116	2,198	183	(119)	2,262
Commercial mortgage-backed	2,905	191	(101)	2,995	2,930	259	(95)	3,094
Asset-backed	6,069	12	(94)	5,987	5,784	31	(77)	5,738
Corporate - non-U.S.	2,083	108	(99)	2,092	2,391	150	(126)	2,415
Government - non-U.S.	2,198	98	(8)	2,288	1,617	149	(3)	1,763
U.S. government and federal agency	886	69	–	955	3,462	103	–	3,565
Retained interests	70	23	–	93	76	7	–	83
Equity								
Available-for-sale	240	54	(17)	277	513	86	(3)	596
Trading	138	–	–	138	245	–	–	245
Total	$ 40,742	$ 3,663	$ (744)	$ 43,661	$ 43,533	$ 5,744	$ (838)	$ 48,439

(In millions)	At June 30, 2013 - in loss position for: Less than 12 months Estimated fair value	Less than 12 months Gross unrealized losses (b)	12 months or more Estimated fair value	12 months or more Gross unrealized losses (b)	At December 31, 2012 - in loss position for: Less than 12 months Estimated fair value	Less than 12 months Gross unrealized losses (b)	12 months or more Estimated fair value	12 months or more Gross unrealized losses (b)
Debt								
U.S. corporate	$ 1,907	$ (119)	$ 365	$ (63)	$ 434	$ (7)	$ 813	$ (295)
State and municipal	962	(66)	295	(109)	146	(2)	326	(111)
Residential mortgage-backed	258	(10)	541	(58)	98	(1)	691	(118)
Commercial mortgage-backed	363	(28)	829	(73)	37	–	979	(95)
Asset-backed	5,203	(47)	422	(47)	18	(1)	658	(76)
Corporate - non-U.S.	81	(1)	621	(98)	167	(8)	602	(118)
Government - non-U.S.	1,316	(6)	38	(2)	201	(1)	37	(2)
U.S. government and federal agency	262	–	–	–	–	–	–	–
Retained interests	7	–	–	–	3	–	–	–
Equity	35	(17)	–	–	26	(3)	–	–
Total	$ 10,394	$ (294)	$ 3,111	$ (450)	$ 1,130	$ (23)	$ 4,106	$ (815)

(a) Substantially collateralized by U.S. mortgages. Of our total residential mortgage-backed securities (RMBS) portfolio at June 30, 2013, $1,346 million relates to securities issued by government sponsored entities and $770 million relates to securities of private label issuers. Securities issued by private label issuers are collateralized primarily by pools of individual direct mortgage loans of financial institutions.

(b) Includes gross unrealized losses at June 30, 2013 and at December 31, 2012 of $(145) million and $(157) million, respectively, related to securities that had other-than-temporary impairments previously recognized.

GE Capital – Investments Measured at Fair Value in Earnings (a)

Investment type (in millions)	Asset balances at June 30, 2013	Asset balances at December 31, 2012	Earnings impact for the six months ended June 30, 2013 (b)
Equities - trading	$ 138	$ 245	$ 26
Assets held for sale (LOCOM)	6,343	4,197	(118)
Assets of businesses held for sale (LOCOM)	165	211	2
Other (investment companies and loans)	438	432	(102)
Total	**$ 7,084**	**$ 5,085**	**$ (192)**

(a) Excludes derivatives portfolio.

(b) All numbers are pre-tax.

GE Capital – Net Interest Margin (a)

($ in billions)	For the six months ended June 30, 2013	For the six months ended June 30, 2012	For the three months ended March 31, 2013
Interest income from Loans and Leases	5.0%	6.0%	5.0%
Yield Adjustors (Fees, Tax equivalency adjustment)	0.7%	0.8%	0.7%
Investment Income	0.6%	0.2%	0.6%
Operating Lease Income (net of depreciation)	1.0%	1.3%	1.0%
Total Interest Income	**7.2%**	**8.3%**	**7.3%**
Total GECC Interest Expense	**2.2%**	**3.5%**	**2.2%**
Net Interest Margin (b)	**5.0%**	**4.8%**	**5.0%**
Average Gross Financing Receivables	$ 271	$ 287	$ 273
Average Investment Securities	47	17	48
Average Interest-Earning Cash	56	N/A	53
Average ELTO (net of depreciation)	54	50	54
Average Earning Assets (AEA) (b)	**$ 427**	**$ 353**	**$ 428**
Average Total Assets	**$ 528**	**$ 533**	**$ 532**
AEA/Average Total Assets	**81%**	**66%**	**80%**

(a) YTD net interest margin (NIM)% annualized (annualized NIM $ = 1Q * 4, 2Q YTD * 2, 3Q YTD * 4/3, 4Q YTD * 1); average asset balances calculated using average of quarter end balances (1Q = 2-point average, 2Q = 3-point average, 3Q = 4-point average, 4Q = 5-point average)

(b) Adjustments were made in the first quarter of 2013 to more closely align the calculation with regulatory reporting requirements. Primary changes include incorporation of income and balances related to the legacy insurance business, incorporation of income and balances related to interest-earning cash and equivalents, and other items. Prior periods have not been recast. The primary remaining differences from the regulatory reporting requirements are the inclusion of ELTO revenue and depreciation, and the exclusion of retail client sharing payments.

Appendix

Term	Definition
Borrowing	Financial liability (short or long-term) that obligates us to repay cash or another financial asset to another entity.
Cash equivalents	Highly liquid debt instruments with original maturities of three months or less, such as commercial paper. Typically included with cash for reporting purposes, unless designated as available-for-sale and included with investment securities.
Cash flow hedge	Qualifying derivative instruments that we use to protect ourselves against exposure to variability in future cash flows. The exposure may be associated with an existing asset or liability, or with a forecasted transaction. See “Hedge”.
Commercial paper	Unsecured, unregistered promise to repay borrowed funds in a specified period ranging from overnight to 270 days.
Derivative instrument	A financial instrument or contract with another party (counterparty) that is designed to meet any of a variety of risk management objectives, including those related to fluctuations in interest rates, currency exchange rates or commodity prices. Options, forwards and swaps are the most common derivative instruments we employ. See "Hedge."
Discontinued operations	Certain businesses we have sold or committed to sell within the next year and therefore will no longer be part of our ongoing operations. The net earnings, assets and liabilities, and cash flows of such businesses are separately classified on our Statement of Earnings, Statement of Financial Position and Statement of Cash Flows, respectively, for all periods presented.
Ending Net Investment (ENI)	The total capital we have invested in the financial services business. It is the sum of short-term borrowings, long-term borrowings and equity (excluding noncontrolling interests) adjusted for unrealized gains and losses on investment securities and hedging instruments. Alternatively, it is the amount of assets of continuing operations less the amount of non-interest bearing liabilities.
Equipment leased to others	Rental equipment we own that is available to rent and is stated at cost less accumulated depreciation.
Fair value hedge	Qualifying derivative instruments that we use to reduce the risk of changes in the fair value of assets, liabilities or certain types of firm commitments. Changes in the fair values of derivative instruments that are designated and effective as fair value hedges are recorded in earnings, but are offset by corresponding changes in the fair values of the hedged items. See "Hedge."
Financing receivables	Investment in contractual loans and leases due from customers (not investment securities).
Goodwill	The premium paid for acquisition of a business. Calculated as the purchase price less the fair value of net assets acquired (net assets are identified tangible and intangible assets, less liabilities assumed).
Hedge	A technique designed to eliminate risk. Often refers to the use of derivative financial instruments to offset changes in interest rates, currency exchange rates or commodity prices, although many business positions are "naturally hedged" - for example, funding a U.S. fixed-rate investment with U.S. fixed-rate borrowings is a natural interest rate hedge.

Term	Definition
Intangible asset	A non-financial asset lacking physical substance, such as goodwill, patents, licenses, trademarks and customer relationships.
Interest rate swap	Agreement under which two counterparties agree to exchange one type of interest rate cash flow for another. In a typical arrangement, one party periodically will pay a fixed amount of interest, in exchange for which that party will receive variable payments computed using a published index. See "Hedge."
Investment securities	Generally, an instrument that provides an ownership position in a corporation (a stock), a creditor relationship with a corporation or governmental body (a bond), rights to contractual cash flows backed by pools of financial assets or rights to ownership such as those represented by options, subscription rights and subscription warrants.
Net interest margin	A measure of the yield on interest earning assets relative to total interest expense. It is the amount of interest income less interest expense, divided by average interest earning assets.
Net operating income	Represents operating income less operating expenses for owned real estate properties.
Noncontrolling interest	Portion of shareowners' equity in a subsidiary that is not attributable to GECC.
Other comprehensive income	Changes in assets and liabilities that do not result from transactions with shareowners and are not included in net income but are recognized in a separate component of shareowners' equity. Other comprehensive income includes the following components: - Investment securities - unrealized gains and losses on securities classified as available for sale - Currency translation adjustments - the result of translating into U.S. dollars those amounts denominated or measured in a different currency - Cash flow hedges - the effective portion of the fair value of cash flow hedges. Such hedges relate to an exposure to variability in the cash flows of recognized assets, liabilities or forecasted transactions that are attributable to a specific risk - Benefit plans - unamortized prior service costs and net actuarial losses (gains) related to pension and retiree health and life benefits
Retained interest	A portion of a transferred financial asset retained by the transferor that provides rights to receive portions of the cash inflows from that asset.
Securitization	A process whereby loans or other receivables are packaged, underwritten and sold to investors. In a typical transaction, assets are sold to a special purpose entity, which purchases the assets with cash raised through issuance of beneficial interests (usually debt instruments) to third-party investors. Whether or not credit risk associated with the securitized assets is retained by the seller depends on the structure of the securitization. See "Variable interest entity."
Variable interest entity (VIE)	An entity that must be consolidated by its primary beneficiary, the party that holds a controlling financial interest. A variable interest entity has one or both of the following characteristics: (1) its equity at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, or (2) as a group, the equity investors lack one or more of the following characteristics: (a) the power to direct the activities that most significantly affect the economic performance of the entity, (b) obligation to absorb expected losses, or (c) right to receive expected residual returns.