

GE Capital Strategy

April 10, 2015



Forward-Looking Statements:

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,” “will,” “would,” or “target.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our announced plan to reduce the size of our financial services businesses, including expected cash and non-cash charges associated with this plan; expected income; earnings per share; revenues; organic growth; margins; cost structure; restructuring charges; cash flows; return on capital; capital expenditures, capital allocation or capital structure; dividends; and the split between Industrial and GE Capital earnings. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: obtaining (or the timing of obtaining) any required regulatory reviews or approvals or any other consents or approvals associated with our announced plan to reduce the size of our financial services businesses; our ability to complete incremental asset sales as part of this plan in a timely manner (or at all) and at the prices we have assumed; changes in law, economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets, including the impact of these conditions on our ability to sell or the value of incremental assets to be sold as part of this plan as well as other aspects of this plan; the impact of conditions in the financial and credit markets on the availability and cost of GECC’s funding, and GECC’s exposure to counterparties; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; pending and future mortgage loan repurchase claims and other litigation claims 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; the adequacy of our cash flows and earnings and other conditions which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels; GECC’s ability to pay dividends to GE at the planned level, which may be affected by GECC’s cash flows and earnings, financial services regulation and oversight, and other factors; our ability to convert pre-order commitments/wins into orders; the price we realize on orders since commitments/wins are stated at list prices; customer actions or developments such as early aircraft retirements or reduced energy demand and other factors that may affect the level of demand and financial performance of the major industries and customers we serve; the effectiveness of our risk management framework; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation and litigation; adverse market conditions, timing of and ability to obtain required bank regulatory approvals, or other factors relating to us or Synchrony Financial that could prevent us from completing the Synchrony Financial split-off as planned; our capital allocation plans, as such plans may change including with respect to the timing and size of share repurchases, acquisitions, joint ventures, dispositions and other strategic actions; our success in completing, including obtaining regulatory approvals for, announced transactions, such as the proposed transactions and alliances with Alstom, Appliances and Real Estate, and our ability to realize anticipated earnings and savings; our success in integrating acquired businesses and operating joint ventures; the impact of potential information technology or data security breaches; and the other factors that are described in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014. These or other 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 includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

This document also contains 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. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information posted to the investor relations section of our website at www.ge.com.”

In this document, “GE” refers to the Industrial businesses of the Company including GECC on an equity basis. GE Capital or GECC refers to the financial services businesses of the company. “GE (ex-GECC)” and/or “Industrial” refer to GE excluding Financial Services.”

GE’s Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE’s Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.

Imagination at work.

Overview

- Executing plan to create a focused infrastructure & technology company
 - + 90%+ of earnings from high-return Industrial businesses by 2018
 - + Consistent double-digit Industrial earnings growth ... built on the GE Store
 - + Shrink GE Capital segment to principally core verticals ... ~\$90B ENI ex. liquidity
- Creating value ... ~\$35B of capital returned to parent under this plan by 2018^{-a)}
 - + Potential for \$90B+ to shareholders in '15-'18 via dividend, buyback, and Synchrony exchange^{-a)}; new Board authorization of up to \$50B buyback
- Excellent environment for creating value from financial assets
 - + \$26.5B of Real Estate transactions announced
 - + Strong Synchrony performance; ANZ Consumer transaction at 2x book
 - + Plan to sell ~\$200B of ENI ex. liquidity (~\$260B of assets) ... day 1 charge of ~\$16B, including \$2.4B disc. ops. charge for Real Estate
- Positive for capital markets
 - + GE amended its income maintenance agreement to guarantee GE Capital debt^{-b)}
 - + Will work with regulators on SIFI de-designation
 - + Will eliminate the only Industrial, wholesale-funded, non-bank SIFI
- 2015 underlying business performance in line with framework; expect buyback to offset impact of lower GE Capital earnings by 2018



(a- Subject to regulatory approval

(b- All tradable senior and subordinated debt securities and all commercial paper issued or guaranteed by GECC as described in the amended IMA

Executing the “pivot”

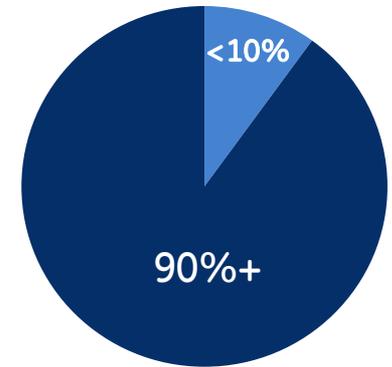
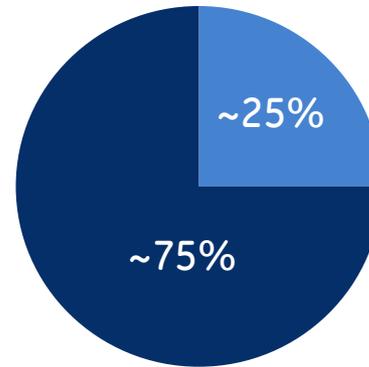
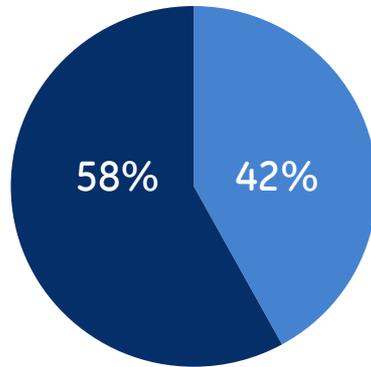
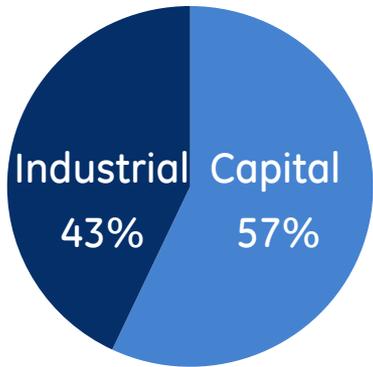
(% of operating earnings)

2007

2014

Prior plan

This plan



- Technology
- Global scale
- Services
- Lean structure
- Financing insight

Source of advantage

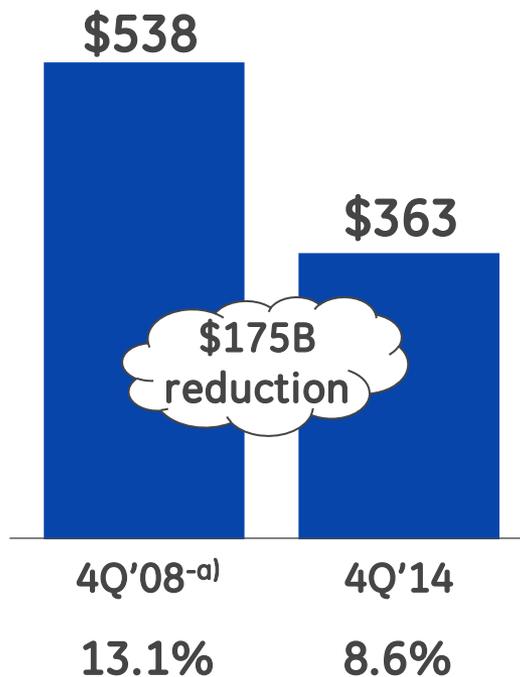
- Invest in innovation, common technology
- Local capability, risk management
- Data & analytics; material & repair
- Low-cost structure, shared services, culture
- Verticals aligned to drive growth



GE Capital ... actions since the crisis

(\$ in billions)

ENI (ex. liquidity)



- ✓ Portfolio actions generated ~\$4B gains
- ✓ RE Equity & Mortgage exposure ↓ 60%+
- ✓ Non-strategic ENI ↓ \$93B
- ✓ Increased financial strength
- ✓ Building risk & regulatory capabilities
- ✓ Wholesale funding disadvantage

	4Q'08	4Q'14
Commercial paper	\$72	\$25
Liquidity	\$37	\$76
Tier 1 common (B1)	5%	13%
Adj. Leverage	9:1	3:1

Changing environment ... impacts ability to generate returns > WACC



(a- As originally reported including discontinued operations)

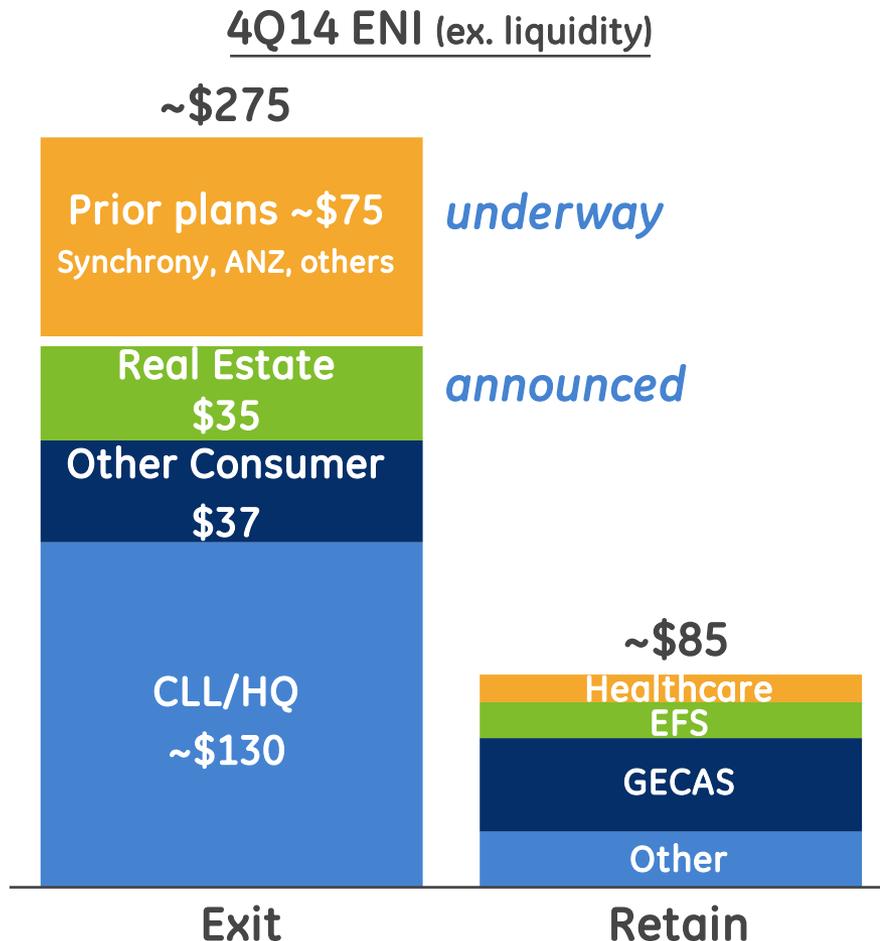
Why now ...

- 1 Business model for large, wholesale-funded Finco has changed dramatically; more difficult to generate acceptable returns
- 2 Synchrony and other dispositions are proof points that GE Capital platforms are more valuable elsewhere
- 3 Strong seller's market for financial assets, with good GE track record of execution and value realization
- 4 More clarity on SIFI de-designation process
- 5 Efficient approach for exiting non-vertical assets that works for GE and GE Capital debtholders and GE shareholders, including guaranteeing GE Capital debt^{a)}



GE Capital portfolio strategy

(\$ in billions)



Execution

- 1 Stabilizing capital markets
 - ✓ GE guarantees GE Capital debt securities^{a)}
 - ✓ GE-GECC merger; new intermediate holding company for financial businesses
 - ✓ No incremental LT debt issuance expected for at least 5 years; CP ~\$5B by YE'15
- 2 Working with regulators
 - ✓ Maintain safe & sound operations ... surplus capital & liquidity
 - ✓ SIFI de-designation over time
 - ✓ Consolidated EU regulator for non-U.S. operations
- 3 Accelerating asset sales under this plan
 - ✓ Synchrony on track ... others underway
 - ✓ Speed & certainty

Targeting execution of majority of dispositions by end of 2016

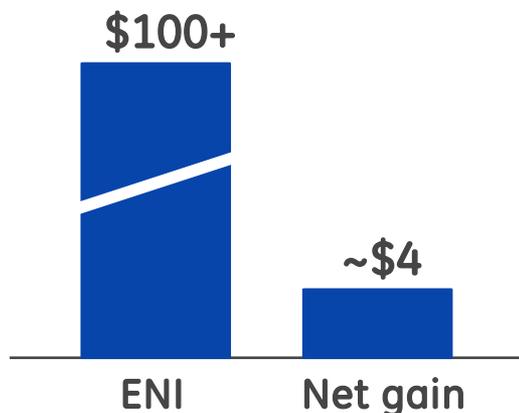


(a- All tradable senior and subordinated debt securities and all commercial paper issued or guaranteed by GECC as described in the amended IMA

Dispositions: track record

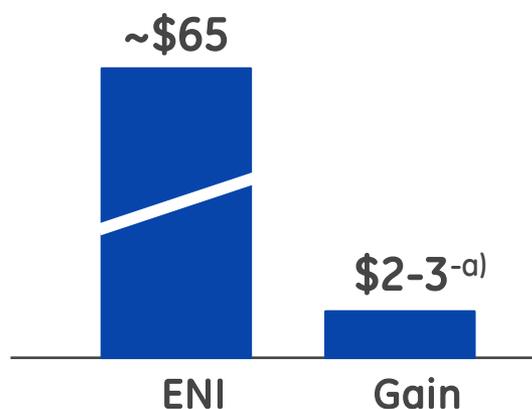
(\$ in billions)

2009-2014



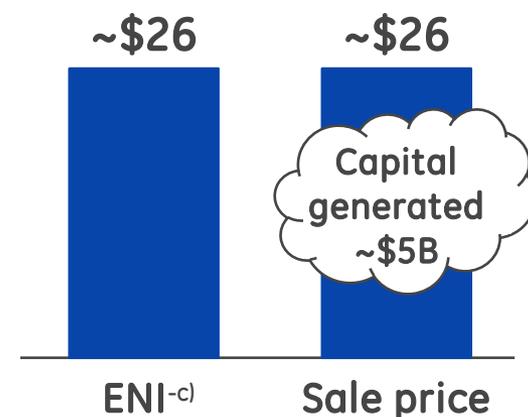
- ✓ Strong execution ... 40+ deals
- ✓ Optimized value by structuring exits through IPO, business and asset sales
- ✓ Executed on some of the toughest assets

Synchrony



- ✓ Successful IPO in July '14 ... stock price +30% since IPO
- ✓ Separation on track ... targeting YE'15^{-b)}
- ✓ ~700-800MM share buyback at current price

Real Estate



- ✓ \$22.5B agreement with Blackstone/Wells Fargo; seller financing, syndicate by mid '16
- ✓ ~\$4B LOIs completed
- ✓ \$3B remaining debt assets sold by year end
- ✓ \$2.4B day 1 charge in disc. ops.

~\$200B in dispositions for net gains (including Synchrony)



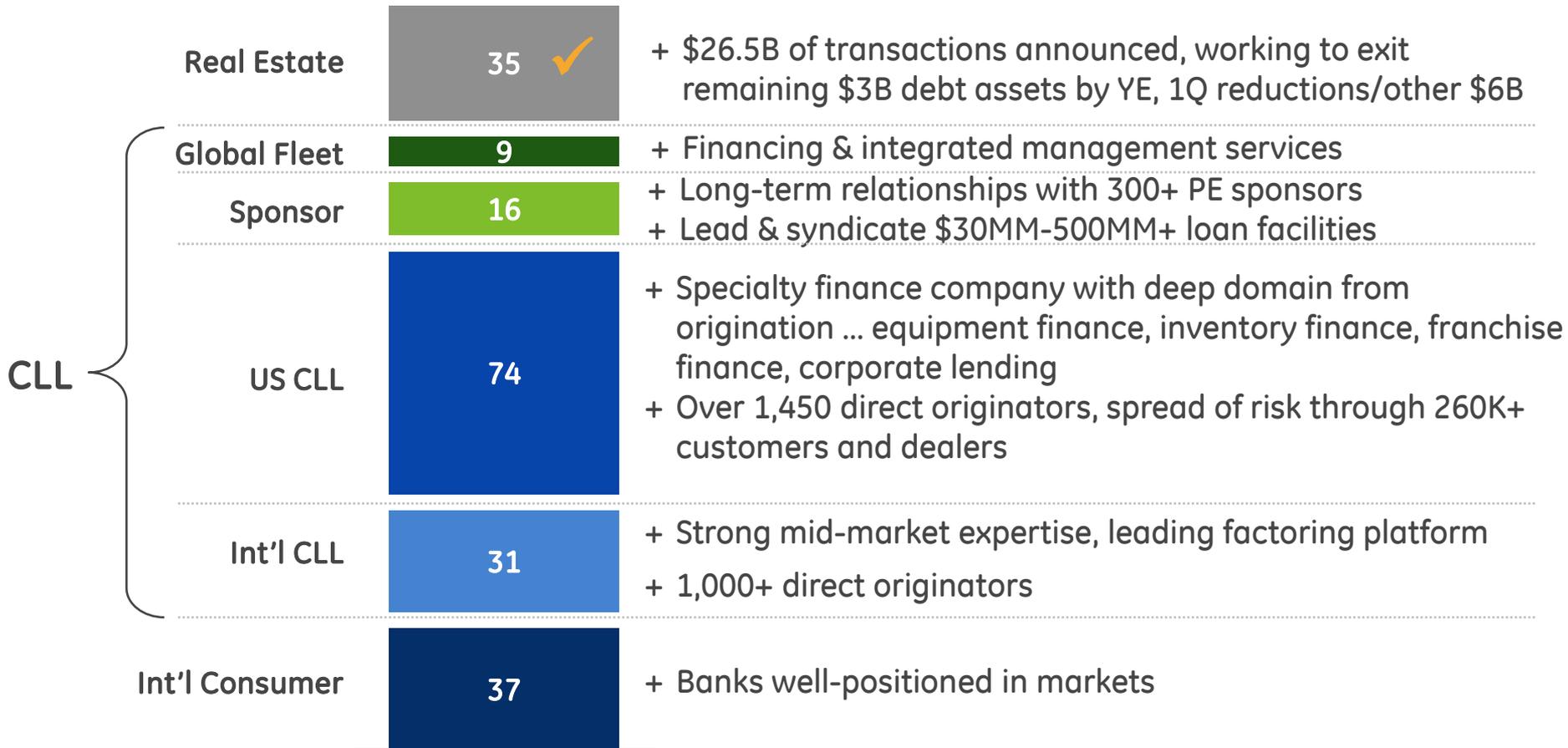
(a- Synchrony gain will be in discontinued operations
 (b- Synchrony separation subject to regulatory approval
 (c- Excludes goodwill, CTA, tax, transaction costs and \$3B remaining debt assets

Asset disposition plan

(4Q14 ENI ex. liquidity)

~\$200B

High-quality platforms



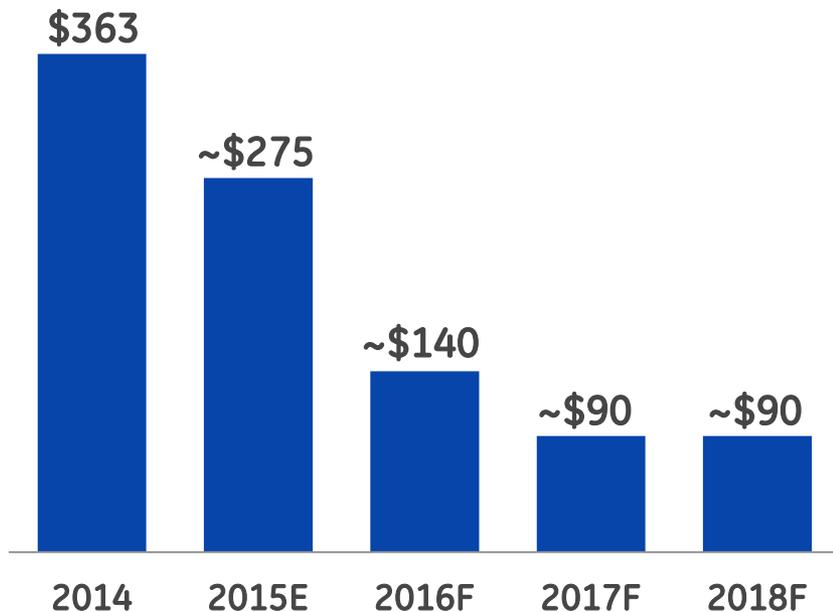
Multiple asset sales to maximize value ... ~\$165B to go



GE Capital segment going forward

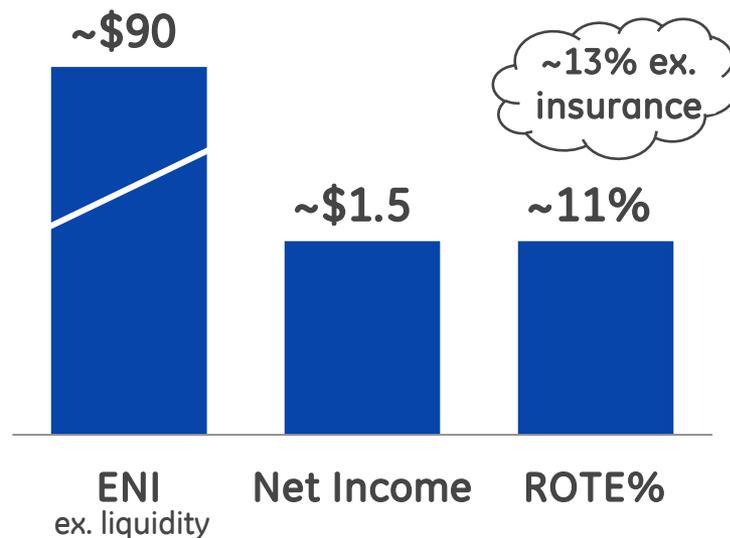
(\$ in billions)

ENI (ex. liquidity)



- Assumes Synchrony exit 1/1/16

Future GE Capital segment^(a)



<u>Key metrics</u>	
Liquidity	~\$20
Tangible equity	~\$14

- ✓ Execution plan in place ... strong market for assets
- ✓ GE Capital businesses directly aligned to GE Industrial growth



(a- Net Income and ROTE excluding excess debt costs

GE Capital segment going forward – core verticals

(2018F, \$ in billions)

Aviation Services



ENI ~\$41

Net income ~\$1

- ✓ #1 global aircraft lessor
- ✓ ~1,600 AC owned & serviced ... financing for +225 customers
- ✓ +85% of fleet powered by GE or CFM engines; average fleet age ~7 years
- ✓ Deep expertise ... 40+ years in industry

Energy Financial Services



ENI ~\$14

Net income ~\$0.4

- ✓ Provide financing solutions to energy industry ... ~250 power and water projects
- ✓ Similar Power & Water footprint ... strong project expertise in renewables and thermal generation
- ✓ Domain expertise... 30+ years across all sectors

Healthcare Equipment Finance



ENI ~\$3

Net income ~\$0.1

- ✓ Provide financing for over 3,000 GE Healthcare customers
- ✓ 45%+ of equipment financing is for GE Healthcare customers
- ✓ 25 years partnering with GE Healthcare

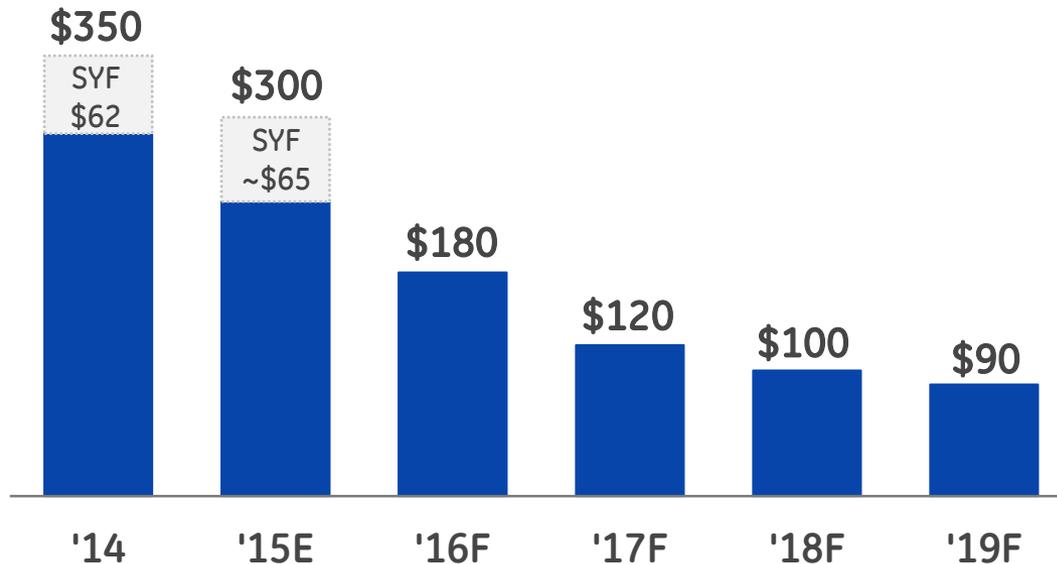
Unique capabilities that support Industrial businesses



Safe & secure funding profile

(\$ in billions)

GE Capital debt funding profile



	'14	'15E	'16F	'17F	'18F	'19F
Liquidity ^{b)}	\$76	~\$100	~\$80	~\$60	~\$30	~\$20
Net debt	\$274	~\$200	~\$100	~\$60	~\$70	~\$70
24-month coverage	103%	~145%	~145%	~210%	~160%	~110%

Dynamics

- GE provides guarantee on ~\$210B of GE Capital debt securities^(a); amended IMA
- Safe and secure; maintain 24-month liquidity coverage
- No incremental LT debt issuance expected for at least 5 years
- CP down to ~\$5B by YE'15
- Securitization and deposits exit with dispositions
- Limited ratings impact ... S&P no change; Moody's GE ↓ 1 notch, no change to GE Capital issuer rating – still one of the highest rated Industrial companies

Significantly smaller funding footprint



(a- All tradable senior and subordinated debt securities and all commercial paper issued or guaranteed by GECC as described in the amended IMA

(b- Liquidity excluding bank lines

Exit costs

(\$ in billions, after tax)

Day 1 charge

1Q

Businesses moved to HFS

~\$(3) \$2 GOS offset by \$(5) GW allocation

Impairments (shortened hold periods)

~(5) EU mortgages, Asia JVs, CLL loans & leases

Tax

~(6) Repatriating ~\$36 cash

1Q continuing impact

~\$(14)

Discontinued ops (CRE)

~(2) Assets @ BV excluding goodwill, CTA, tax, transaction costs

1Q total impact

~\$(16)

Future exit costs

~(7) Principally business disposals including goodwill & restructuring

Total exit impact

~\$(23)

- ✓ Total cash cost ~\$6B versus ~\$23B total exit impact
- ✓ Impact excludes Synchrony gain of \$2-3B (discontinued ops)



GE Capital pro forma

(\$ in billions, after tax)

	<u>'15F</u>	<u>'16F</u>	<u>'18F</u>	
Verticals	~\$1.6	~\$1.4	~\$1.5	Core income from retained verticals
Exits/HQ	~(10)	~(1)	-	Exit charges in '15; HQ run-off '15-'17
Excess debt	<u>~(0)</u>	<u>~(1)</u>	<u>~(1)</u>	Non-operating carry cost for excess debt
Continuing income	~\$(8)	~\$(1)	<\$1	
Discontinued Ops.	<u>~(6)</u>	<u>~1</u>	=	2015: CRE, CLL; 2016: Consumer offset by Synchrony gain
Total income	~\$(14)	~\$0	<\$1	

'15 framework

~\$6B
(~\$.60 EPS)

Day 1 charge

~\$(16)

"Sold" earnings

~\$(2)

2Q-4Q HFS^(a)

~\$(2)

This plan

~\$(14)



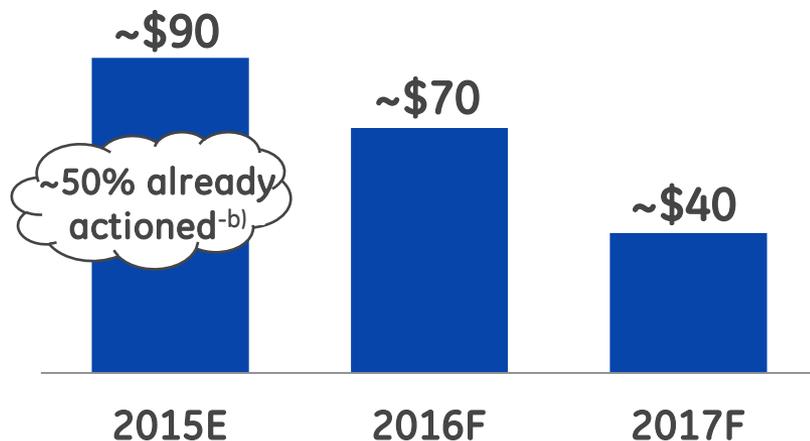
(a- Additional held-for-sale costs associated with 2Q-4Q business dispositions

Value creation

(\$ in billions)

Disposition plan

(ENI ex. liquidity)



GE Capital dividend scenarios^(a)

	<u>2015E</u>	<u>2016F</u>	<u>2017F</u>	<u>2018F</u>	<u>'15-'18F</u>
@12.5% T1C	\$7	\$15	\$6	\$6	~\$35
@14% T1C	\$1	\$18	\$7	\$8	~\$35
@17% T1C	\$0.5	\$13	\$9	\$13	~\$35

Unlocks value in GE Capital

Synchrony ^(a)	~\$20
Exits ^(a)	~35
Future GE Capital	~20+
Value of GE Capital	~\$75+

- ✓ Greater than today's valuation
- ✓ Verticals should be valued at premium to book

Plan is value accretive for shareholders



(a- Subject to regulatory approval

(b- Includes Real Estate, ANZ Consumer, Hungary, and AsiaSat

Potential cash to investors

\$90B+



2015E-2018F

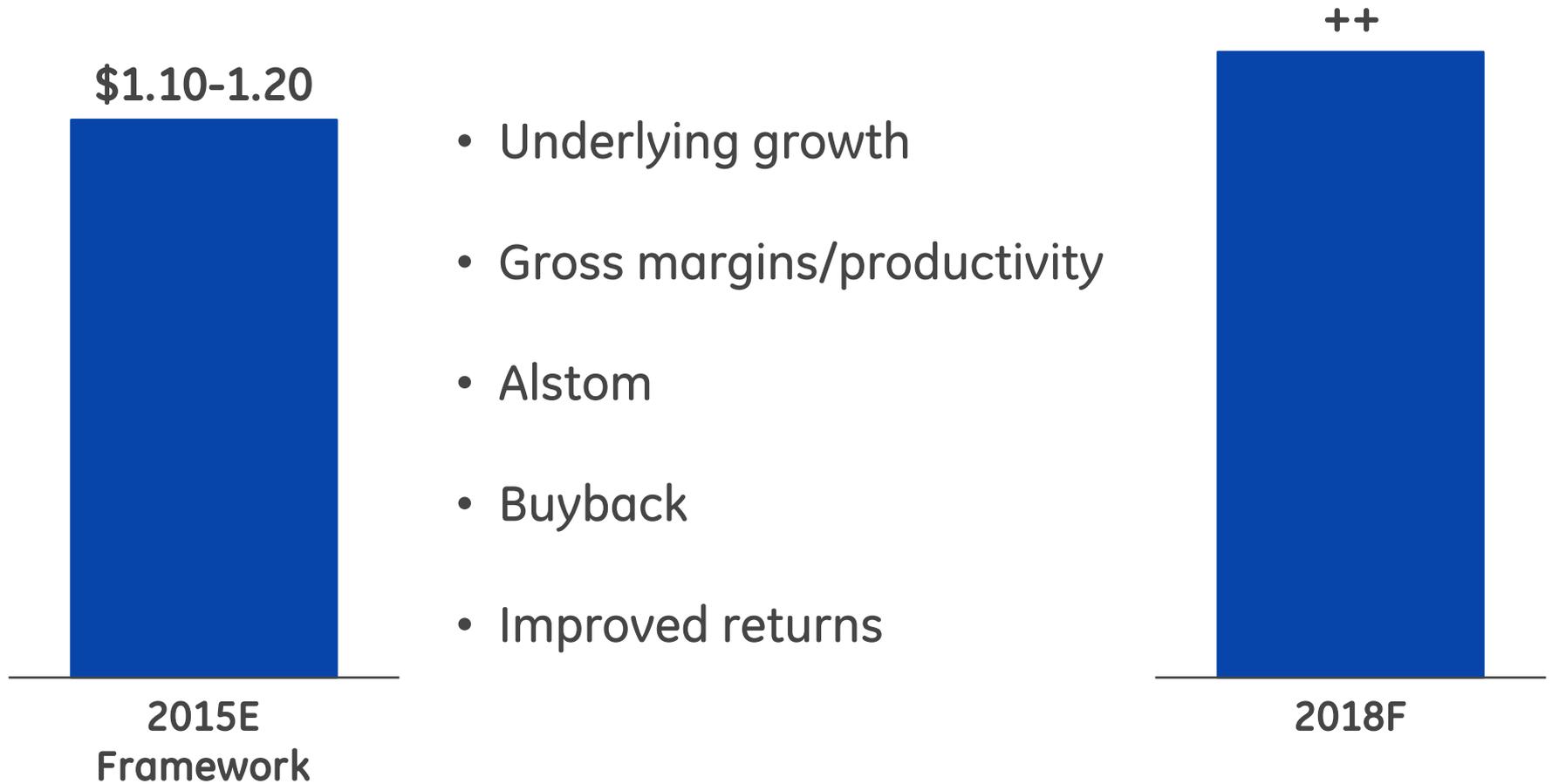
- 1 Dividend remains a priority ... base plan to maintain current GE dividend in 2016 ... grow thereafter
- 2 Synchrony exchange ~\$20B
- 3 Buyback of up to \$35B+ ... new Board authorization for up to \$50B buyback^{-b)}
- 4 Share count ~8-8.5B (including Synchrony exchange)
- 5 Opportunistic on Industrial M&A ... room for bolt-on acquisitions ... focus on returns

Creating value for shareholders



(a- Subject to regulatory approval
(b- Excludes Synchrony exchange)

Industrial operating EPS outlook



2015 in line with our framework



Pro forma GE financials

GE Operating EPS



- ✓ Strong Industrial double-digit growth through 2018
- ✓ Lower GE Capital earnings offset by impact from buyback (primarily Industrial)
- ✓ 2018 ending outstanding share count ~8-8.5B

Earnings under this plan meet our original expectations by 2018
but at 90%+ Industrial ... more valuable GE



Summary

- Creating a more valuable GE ... 90%+ of earnings from high-return Industrial businesses
 - ✓ Double-digit Industrial EPS growth
 - ✓ Every business uses the GE Store
- Potential to return \$90B+ to shareholders from 2015-2018
 - ✓ Strong track record of executing business sales
 - ✓ Expect buyback to offset impact of lower GE Capital earnings by '18
- Lower risk for shareholders and financial system
 - ✓ Will work with regulators on SIFI de-designation
 - ✓ Maintain safe & sound operations ... surplus capital & liquidity
- Substantial value for investors going forward



