

GE Commercial Finance

Prudential Conference

Mike Neal

March 24, 2005



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"This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of GE. Forward-looking statements are based on management's current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may differ materially from these expectations and assumptions due to changes in global political, economic, business, competitive, market, regulatory and other factors. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise."



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GE Commercial Finance



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Equipment Financing

Innovative Financial Solutions Across the Entire Supply Chain



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Real Estate Finance



- 5,000+ core global customers across 20 countries and 38 offices
- Broad range of products – Debt, Equity, CMBS, JV's, Property Management, Multi-family, Retail, Office, Industrial, Corp Outsourcing

Provider of Global Commercial Real Estate Capital and Services



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Corporate Financial Services

Financing for Non-Investment Grade Companies, Equity Sponsors & Industrial Businesses



- Global reach... local presence
 - 8,000 customers in 19 countries
 - Local Origination & Underwriting Expertise
- Broad product portfolio
 - Asset-based Financing
 - Cash Flow Lending
 - Corporate Restructuring

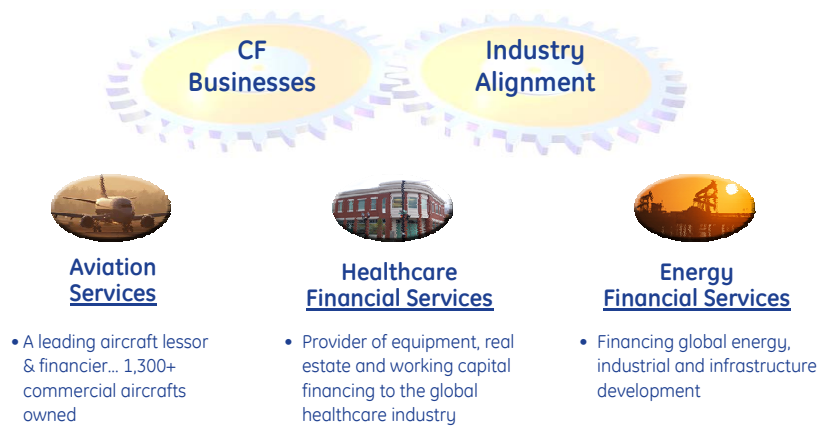


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Vertical Businesses

Working Together to Make Our Customers More Productive & More Profitable



Targeted Focus With Deep Industry Knowledge

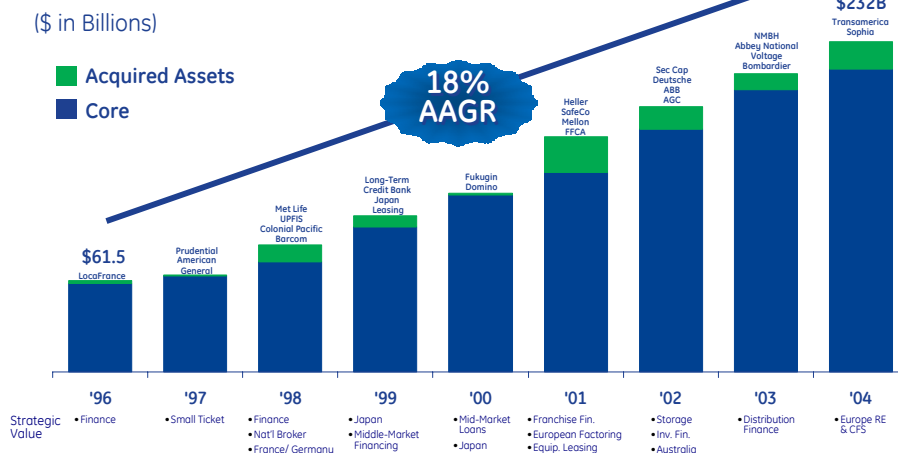


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Strong Asset Growth Record

Healthy Balance of Core Growth and Portfolio Adds



Consistent Growth Through Good and Bad Economic Times

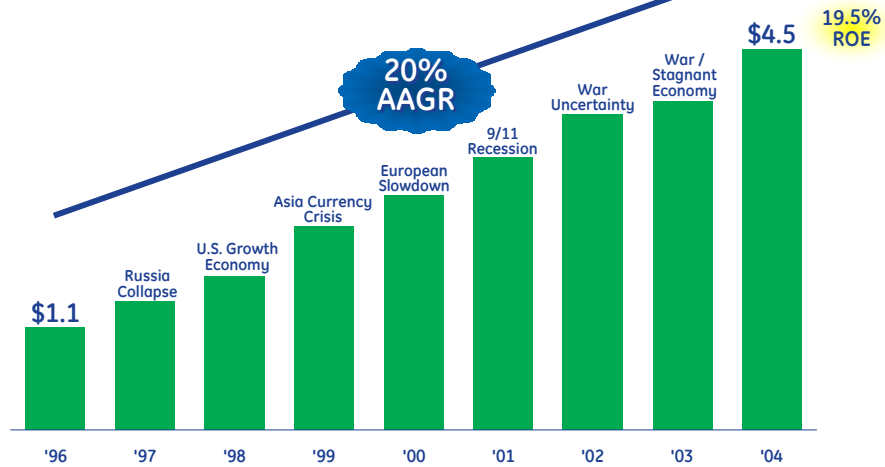


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Earnings History

(\$ in Billions)



Consistent Growth Through Good and Bad Economic Times

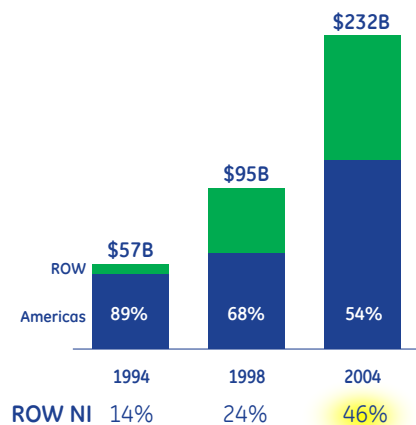


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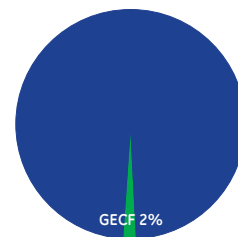
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Global Expansion... Small Existing Share

Geographic Asset Split



2004 Global Market Share



	Size	GE
Americas	\$7T	~3.0%
Europe	\$4T	~1.0%
Asia	\$4T	~0.5%

Enormous Room for Continued Growth



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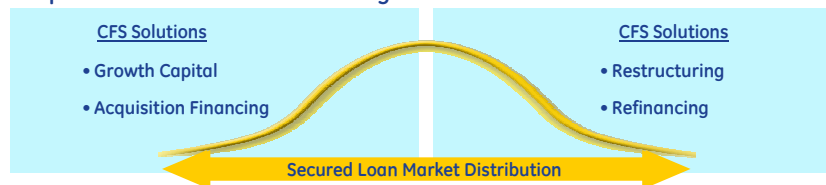
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Core Growth In All Environments

Real Estate: Global Buy/Sell Strategy Driven By Local Market Cycles



Corporate Finance: Offers Financing Solutions In Good & Bad Economic Times



Adapting Strategy To Economic Cycles



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What Makes Us Different

AAA Rated – 26,000 World Class Resources

Origination	+	Risk Management	+	GE Value Proposition
<ul style="list-style-type: none"> • Largest direct origination team 8,000+ • Broad product portfolio • Targeted focus with deep industry knowledge <ul style="list-style-type: none"> – Healthcare, Telecom, Airlines, Energy • Unparalleled collateral knowledge and experience • Highly motivated and leveraged • Acquisitive – M&A expertise 		<ul style="list-style-type: none"> • Very disciplined risk processes • Broad spread of Risk / Small hold positions • World-class Risk Management Organization around the globe • Key Risk leaders each with 15-25 years experience and have experienced 2 cycles • Collateralized by assets we know • "Smart Tools"/digitized processes to trigger increased surveillance • Tough Love 		<ul style="list-style-type: none"> • Six Sigma strategy aligned with business imperatives and customer requirements • Use GE intellectual capital to help our customers... share best practices • Simplifying businesses to serve our customers better • Access to "all GE" solutions

No Other Finance Company Like Us



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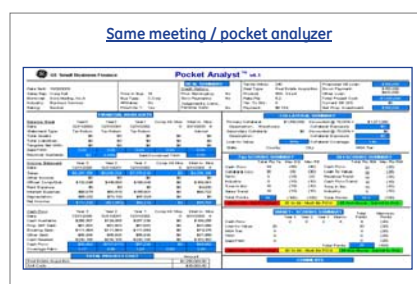
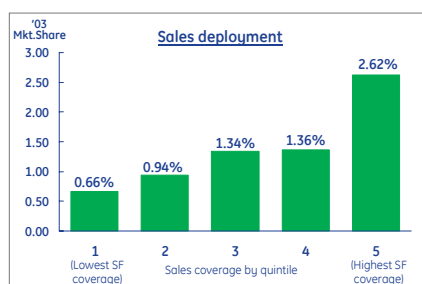
Commercial Excellence Imagination Breakthroughs Acquisitions



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Driving Commercial Excellence

- 8,000+ direct origination team directly serving 900,000+ customers
 - Increasing coverage & leveraging technology... drive volume & yield



- Verticals centered around customers
 - Healthcare – Transportation – Telecom – Energy – Sponsors
- ACFC: 954 customers, 1,100+ projects
 - Delivering value & differentiating
- Imagination Breakthrough projects fueling organic growth



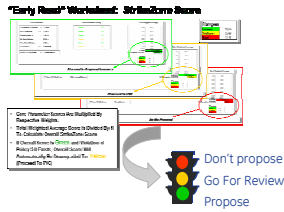
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Same Meeting Is About Creating Capacity for Growth

Same Meeting is codifying and digitizing GE knowledge and policies around pricing, product, and risk to deliver responses to customers... quickly.

"Same Meeting" Proposal

CFS - Proposal Generator



- ✓ Reduced cycle time by 7 days
- ✓ 5% increase in conversion, \$1.5B funded volume
- ✓ Better likelihood of credit approval



"Same Meeting" Approval

CEF - Pocket Analyzer

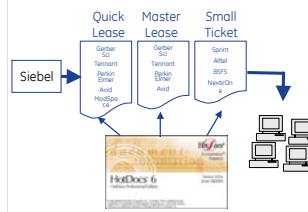


- ✓ Utilized on 90% of transactions
- ✓ 92% of 'green' light deals are approved
- ✓ Integrated with workflow engine

Huge Differentiator

"Same Meeting" Docs

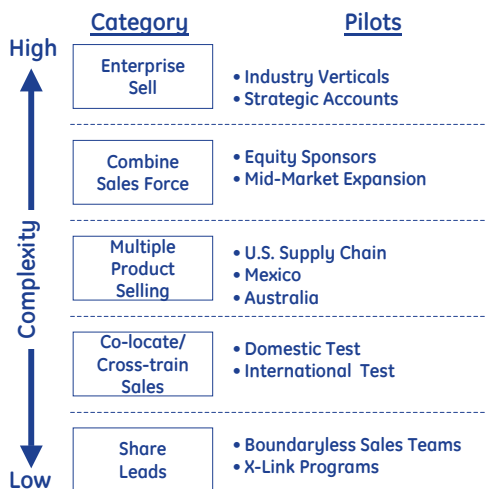
VFS - Hot Docs



- ✓ Integrated lease docs platform
- ✓ Part of workflow...60% of data pre-populated by Siebel
- ✓ 40% reduction in Doc Gen Cycle time

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New Selling Models To Drive Future Growth – 11 Pilots Underway



- Verticals deliver enhanced value propositions
- Businesses organized around customers delivering full product offerings
- Geographic coverage teams focus on co-location and enhanced sales deployment



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Establishing Platforms Quickly in High Growth Segments



- Closed 4Q '02
- \$6B assets added
- Focuses on large customers
- "Best in class"...inventory financing
- Expanded industries (i.e. RV, motor sports)
- Opportunities with Consumer Finance



- Closed 1Q '04
- \$5B assets added
- Focus on small / midsize customers
- Increases presence in Canada & Europe
- Additional opportunities for Consumer Finance (i.e. Outdoor power, electronics & appliances)



Inventory Finance

- Acquired & combined two successful industry players
- Broader capabilities – large/small dealer
- Increased scale in existing markets
- Sizable cost synergies
- Serving 41,000 dealers, annual vol. \$48B

Earnings (\$MM)



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Enterprise Selling

Objective & Execution Strategy

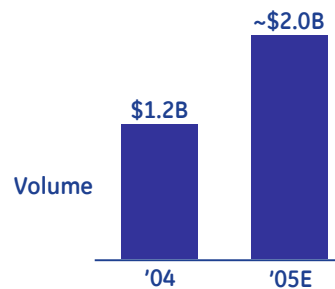
- Accelerate volume growth & increase # of product per customer by:
 1. Develop a new go to market approach
 2. Improve commercial excellence
 3. Create process capacity & capability

Customer Benefits

- Knowledgeable sales representatives
- Single point of contact
- Streamline underwriting & documentation process



Pilot Program



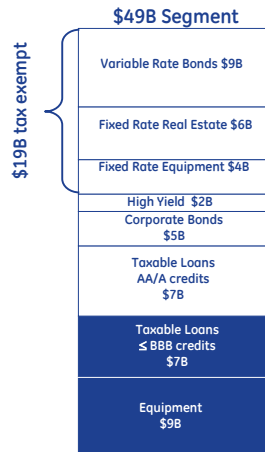
- Appointed Commercial leader
- Aligned Commercial Finance resources
- Completed baseline and market sizing

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Hospitals: Strategic Opportunity for Growth

IB

Imagination Breakthrough

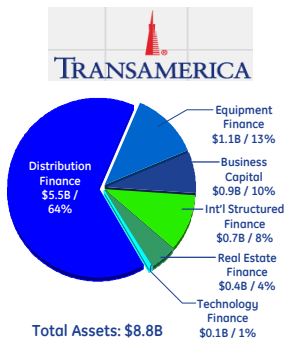


- Huge market
- + Small share
- + 'White space'
- = Opportunity!
- 'Voice of Customer' driven
- HFS initiatives
 - ✓ Relationship Management
 - ✓ Product Development
 - ✓ Sales Force Coverage
 - ✓ Cross-Sell



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Recent Portfolio Adds



- Strong Distribution Finance Business:
 - Complementary to Deutsche Financial Services acquisition
- Expands customer and asset base for 5 GE Commercial Finance businesses



SOPHIA

Actionnaires de SOPHIA

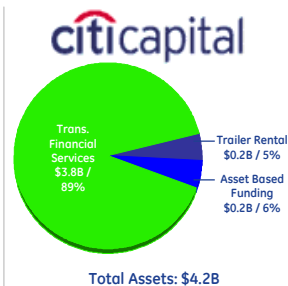
apportez vos titres à l'offre
GE Real Estate
Investissement France
avant le 20 janvier 2004.

Une offre en numéraire à **41€** par action.

Une offre réservée aux actionnaires de SOPHIA à l'exception de :

SOPHIA GE imagination at work

- 4th largest listed Real Estate Company in France
- 41€ per share - 2.0% discount to NAV
- Strategic expansion for European Real Estate



- Acquire Citicapital's Transportation Financial Services Group for \$4.4B
- Provides financing to ~49,000 customers throughout North America
- Enhances service & product offerings to existing business consisting of \$6.6B Portfolio and ~41,000 Customers
- Broadens Truck Manufacturer & Dealer Relationships
- Closed in January '05

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Origination



Risk Management



GE Value Proposition

Risk Management Resources

Disciplined Risk Approach

Portfolio Overview

Aviation Services Update



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World Class Risk Management

Risk Management Resources Across The Globe

- Seasoned Risk leadership with (20+) years average experience including 2 major recessions
- 2,500+ Risk managers focused on underwriting, portfolio management and collections
- 600+ people remarket, sell, manage leased assets

Intense Focus on Collections

- ~1,000 Commercial Collectors
- ~600+ Portfolio Managers

Proprietary Technology

- REM
- RSK Plus
- ARK
- GE Credit Alert

Resources, Rigor, Rhythm ➡ Results



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Disciplined Approach to Managing Risk

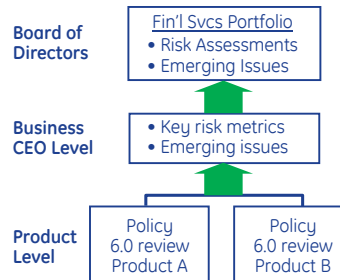
Key Risk Policies

Policy 5.0

- Prescribes maximum investment level approval authorities
 - Requires joint CEO, Chief Risk Officer approval
- Authorities based on product level core risk parameters
- All new business activities require CEO approval
- All acquisitions reviewed by the board
- Maximum obligor approval limit - \$150MM

Policy 6.0

- Defines program risk parameters
 - Portfolio **diversification**
 - **Credit quality** mix
 - Single **exposure limits**
- Sets **trigger** points & establishes **corrective actions**
- Monitors performance



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Match Funding Approach

Amount: Assets = Liability + Equity

Currency: Borrowing in same currency as assets

Term: Borrowing period matched to receivable term

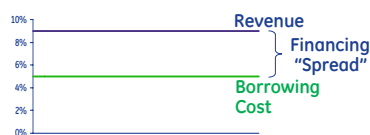
Type: Fixed rate assets funded with fixed rate debt
Floating rate assets funded with floating rate debt

No Currency Risk

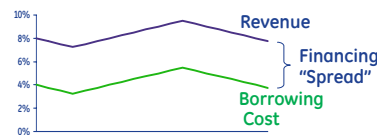
No Term Risk

No Interest Rate Risk

Fixed Rate Loan



Floating Rate Loan

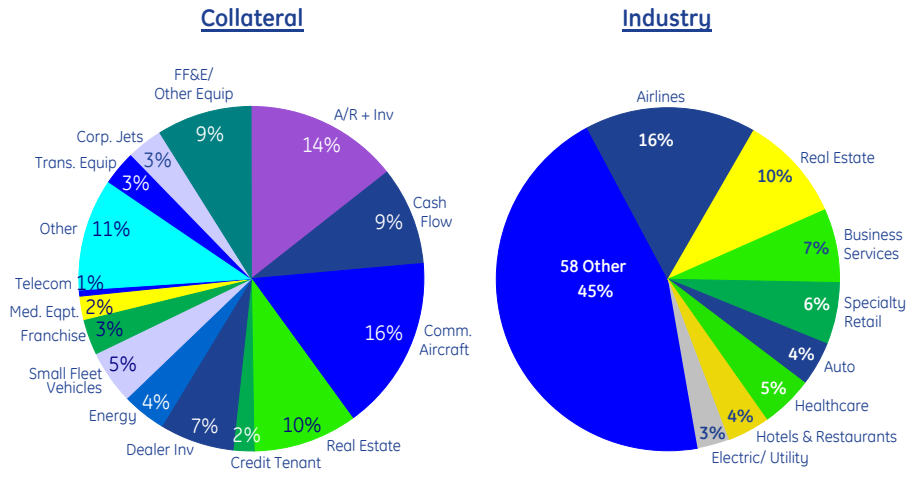


Eliminate Non-Credit Risk



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Diversified Portfolio



Senior Secured Positions... Broad Spread of Risk



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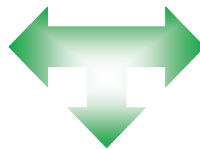
Commercial Finance Losses

(As a % of Average Outstandings)



Direct Control vs Participations

- Individual deals on discrete collateral



Secured Deals to Sub-Investment Grade Clients

- No illusions about credit quality of customers
- Focus on assets with low economic/technological obsolescence

Core Cultural Incentive To Recover Investments

- Underwrite assuming workout
- Evaluate multiple exit strategies

Work Out Mentality Starts at Deal Underwriting



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Aviation Services Update

Solid Organization

- 40 years experience... managed through cycles
- 230 staff in 14 global locations
- Deep hardware knowledge, technically proficient
- Structured finance/cap markets skills
- Active Asset Managers – proactive portfolio management
- Delivering secondary volume with better risk/return profiles

Fleet Composition vs. World

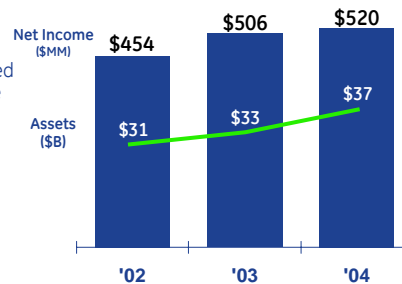
	GECAS	World	Δ
Narrowbody	70%	54%	+16%
Widebody	30%	46%	-16%

AGE	GECAS	World	Δ
1 – 5 Years	74%	53%	+21%
6 + Years	26%	47%	-21%

Strong Fleet Management...

- Since September 11, 2001, 119 carriers have placed 709 GECAS aircraft into service; 415 of which were Boeing and Airbus narrow-body aircraft
- 100% of 2003 - 2005 new orders placed
- 2 aircraft on ground @ 4Q '04
- Strong improvement in worldwide demand for aircraft over past 12 months

Strong Operating Results



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Actively Managing Key NA Accounts

(\$ in Billions)



\$1.6 Secured debt backed by core aircraft, engines, rotables
 0.2 767/737 leases crossed to engine loan
 \$1.8



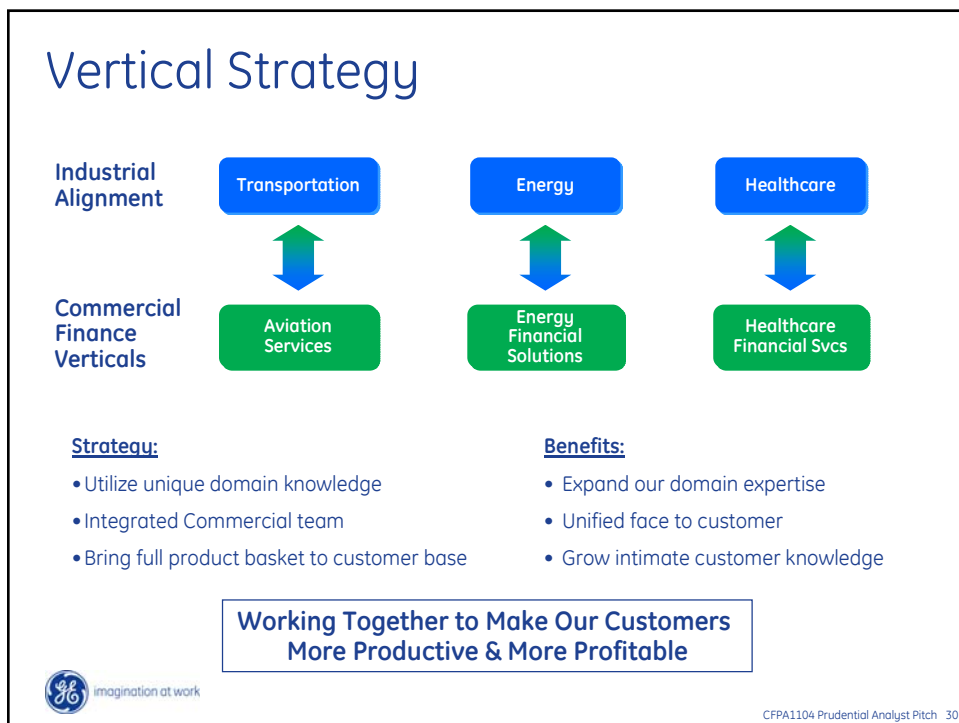
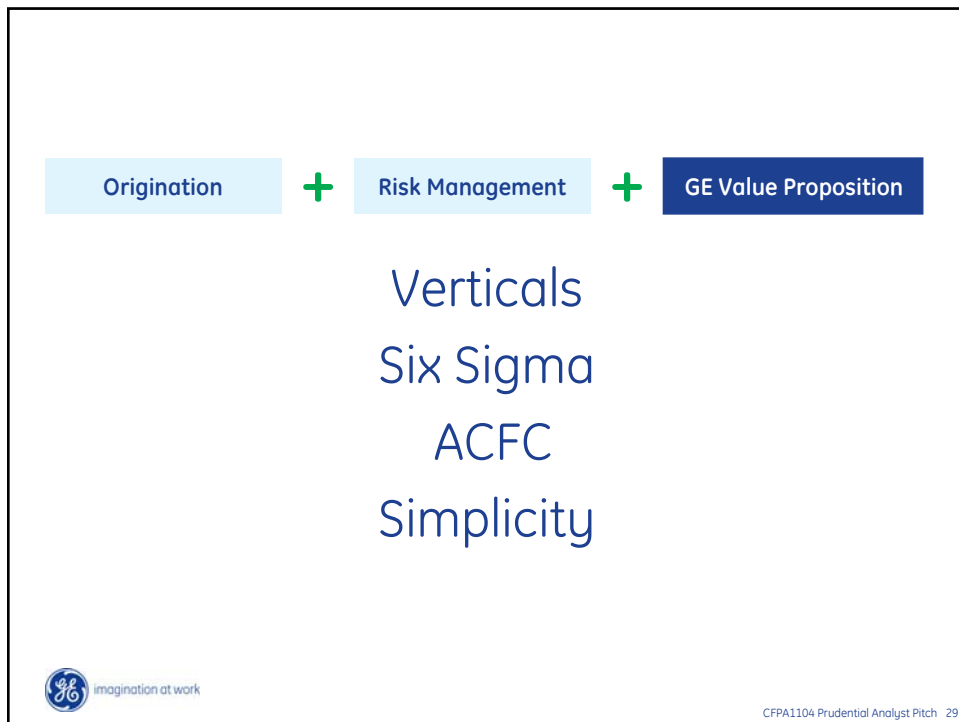
\$0.6 Secured debt backed by core aircraft
 0.7 A320/777 leases crossed to secured debt
 \$1.3



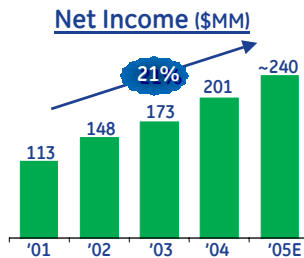
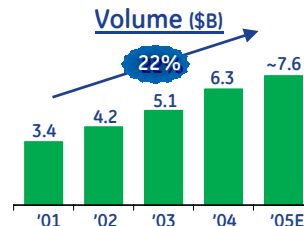
\$0.7 Secured debt backed by A320s, engines
 2.1 A320/RJ/737/757 leases crossed to secured debt
 \$2.8



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Healthcare Financial Services Vertical

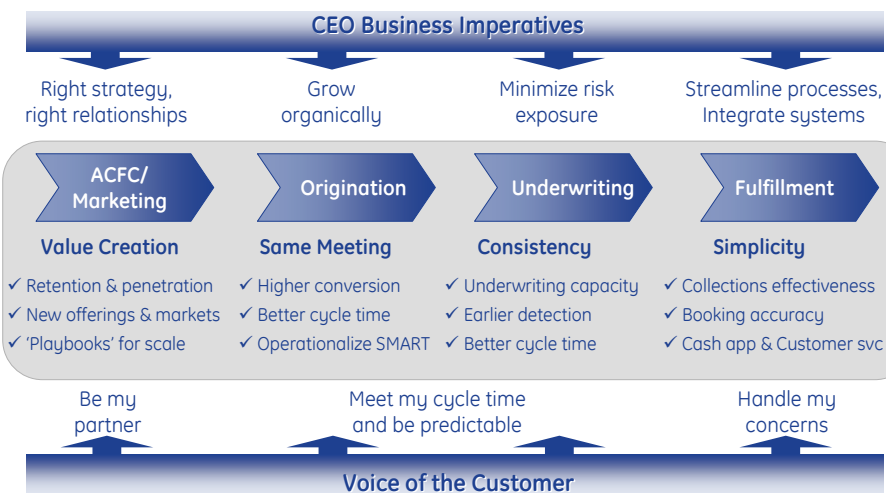


Becoming the premier provider in Healthcare Finance



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Six Sigma Strategy Aligned With the Business and Our Customers



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At the Customer For the Customer

ACFC Helping Foster Better Relationship with Customers

Our Strategy

- More than just a Finance co.
- Use **GE Intellectual Capital** to help our customers
- Extend and **Energize Partnerships** with GECF customers

Value Add to Customers

- Learn six sigma, share GE best practice
- **2000+ customer** benefited from ACFC
- **200,000 hours** towards helping customers
- **\$1B** collective customer savings



- Reduced billing errors
 - Improved customer satisfaction
 - Errors down to 2% from 35%
 - \$0.1MM saved



- Improved take off thrust practice
 - \$5MM saving in 2004
 - Lower fuel consumption
 - Reduced service cost



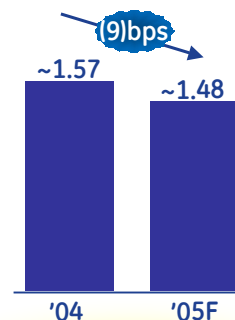
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Simplicity, Productivity

Initiatives

- Organization ~\$175MM by '07
 - ✓ Front end focus
 - ✓ Smart P&Ls
- Process ~\$85MM by '07
 - ✓ Efficient backrooms
 - ✓ Six Sigma processes
- Technology ~\$50MM by '07
 - ✓ Fewer systems

SG&A % Avg. Served Assets



\$300MM of Productivity Savings by '07

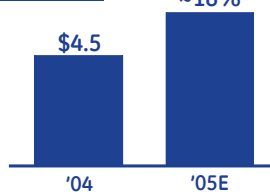


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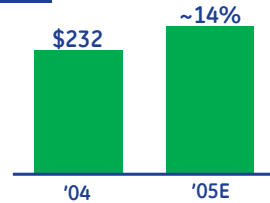
Summary

(\$ in Billions)

Net Income



Assets



- Lots of runway to grow
- Specific, implementable plans around markets and customers
- Growing the front-end with leveraged athletes
- Risk management... it's what we do best

Well-Positioned in the World's Biggest Markets



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