

# GE Consumer Finance Growth in Emerging Markets

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"This document contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices; from future integration of acquired businesses; from future financial performance of major industries which we serve including, without limitation, the air and rail transportation, energy generation, media, real estate and healthcare industries; from unanticipated loss development in our insurance businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive and regulatory 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 presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by SEC rules, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in our Supplemental Information file on our investor relations website at [www.ge.com/investor](http://www.ge.com/investor).



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# Who Are We?

LAURA ASHLEY

Harrods

B&Q

DEBENHAMS  
BRITAIN'S FAVOURITE DEPARTMENT STORE



Mercedes-Benz

FIAT

DELL™

IKEA

- 105,000 Retail Finance Locations Worldwide
- 45 Auto Manufacturer/ Distributor Contracts and 3MM Cars
- 3,100 Personal Loan locations and 185,000 Cash Access Points
- 150,000 Homes



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# What We Do

## Broad Product Line

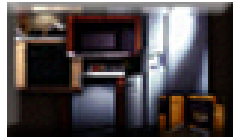
Credit  
Cards



Personal  
Loans



Sales  
Finance



Mortgages



Auto



Insurance



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## Multiple Distribution Channels

Retailers

Mail

Telemarketing

Branches / Partner Points

ATM / Kiosks

Internet

## Target Customers



# Where We Are

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Canada  
China  
Costa Rica  
Czech Republic  
Denmark  
DOMs  
El Salvador  
Finland  
France  
Germany  
Guatemala  
Honduras  
Hong Kong  
Hungary  
India  
Indonesia  
Ireland



Italy  
Japan  
Korea  
Latvia  
Mexico  
New Zealand  
Nicaragua  
Norway  
Panama  
Poland  
Portugal  
Romania  
Russia  
Singapore  
Slovakia  
Slovenia  
Spain  
Sweden  
Switzerland  
Taiwan  
Thailand  
United Kingdom  
United States

Serving Over 118MM Consumers In 47 Countries

# We Have Built a “Culture” of Growth

(\$ in Billions)

## GECF Charter

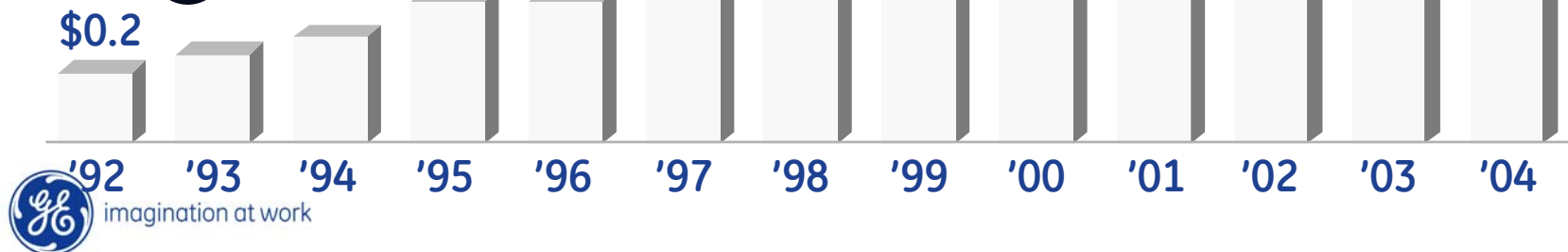
\$2.5+ Net

1 Double-Digit Asset and Profit Growth

2 Develop Consumer Marketing Zealots

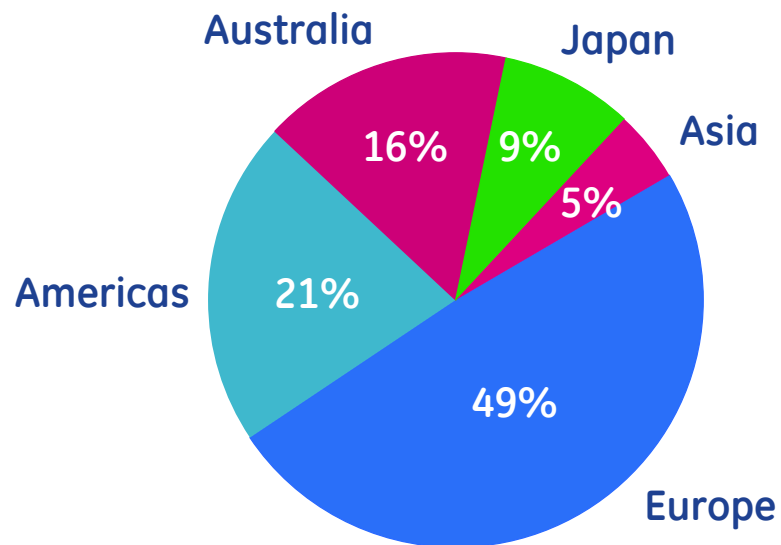
3 Risk Management Vigilance

4 Execute in a Huge Marketplace (\$19T)



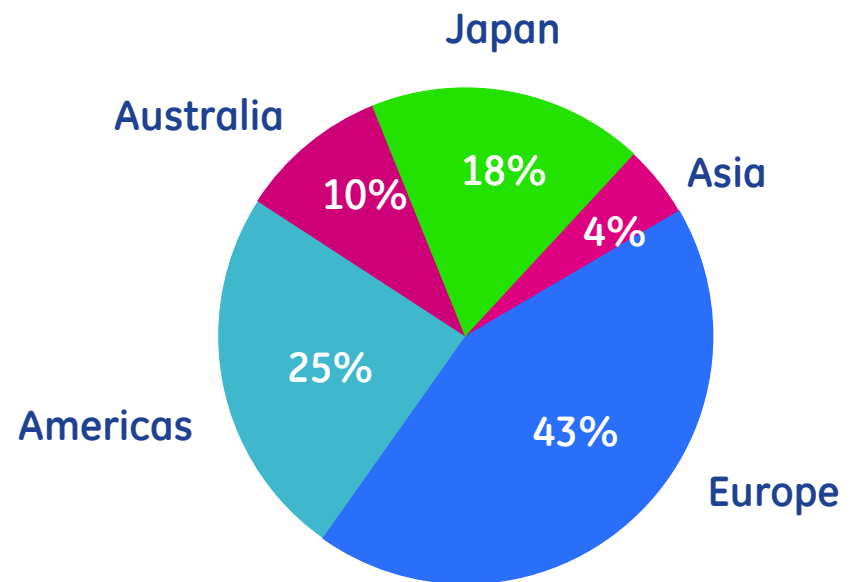
# Business Overview – '04

## Assets



\$151 B

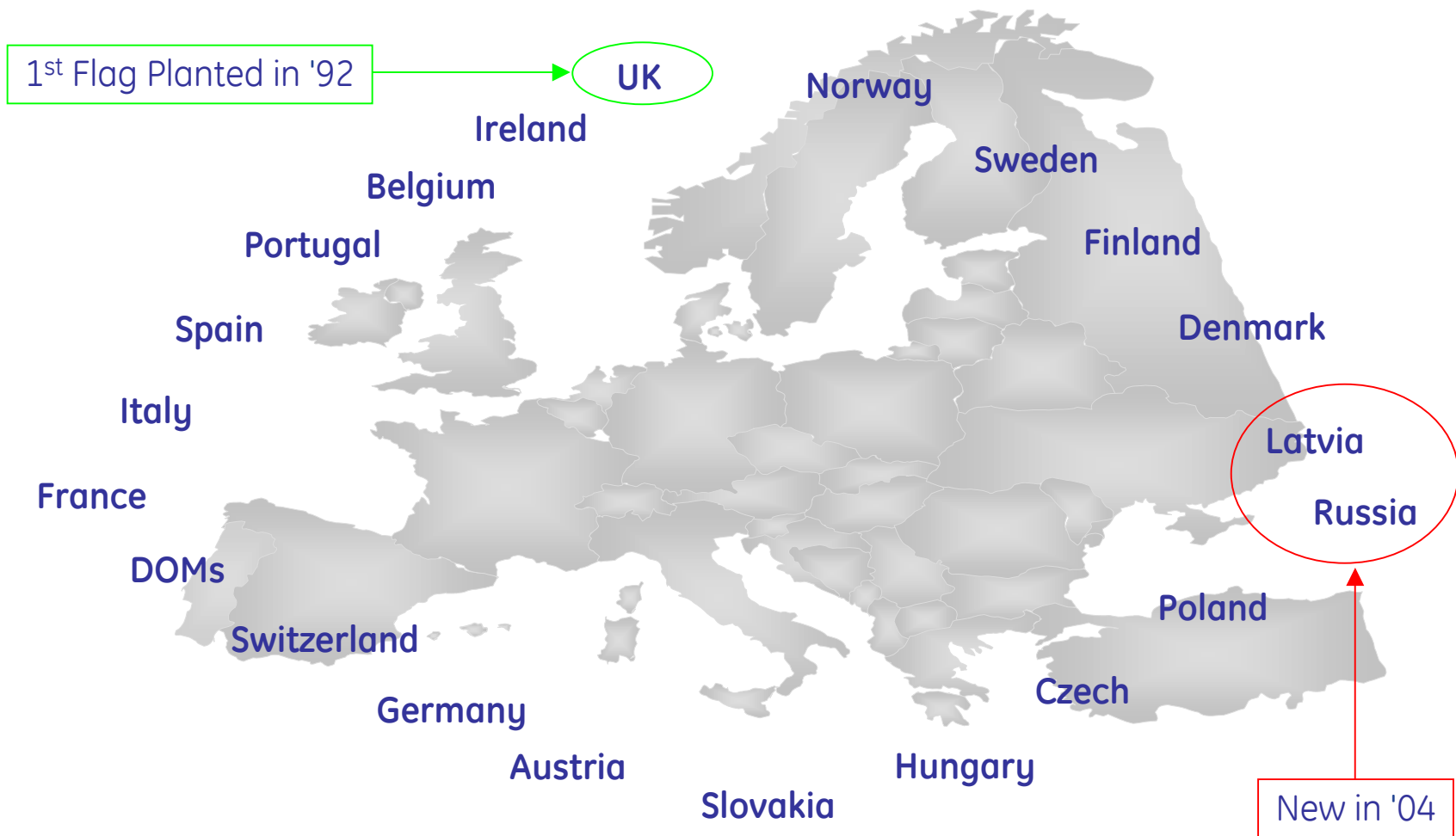
## Net Income



\$2.5+ B

A Global GE Business

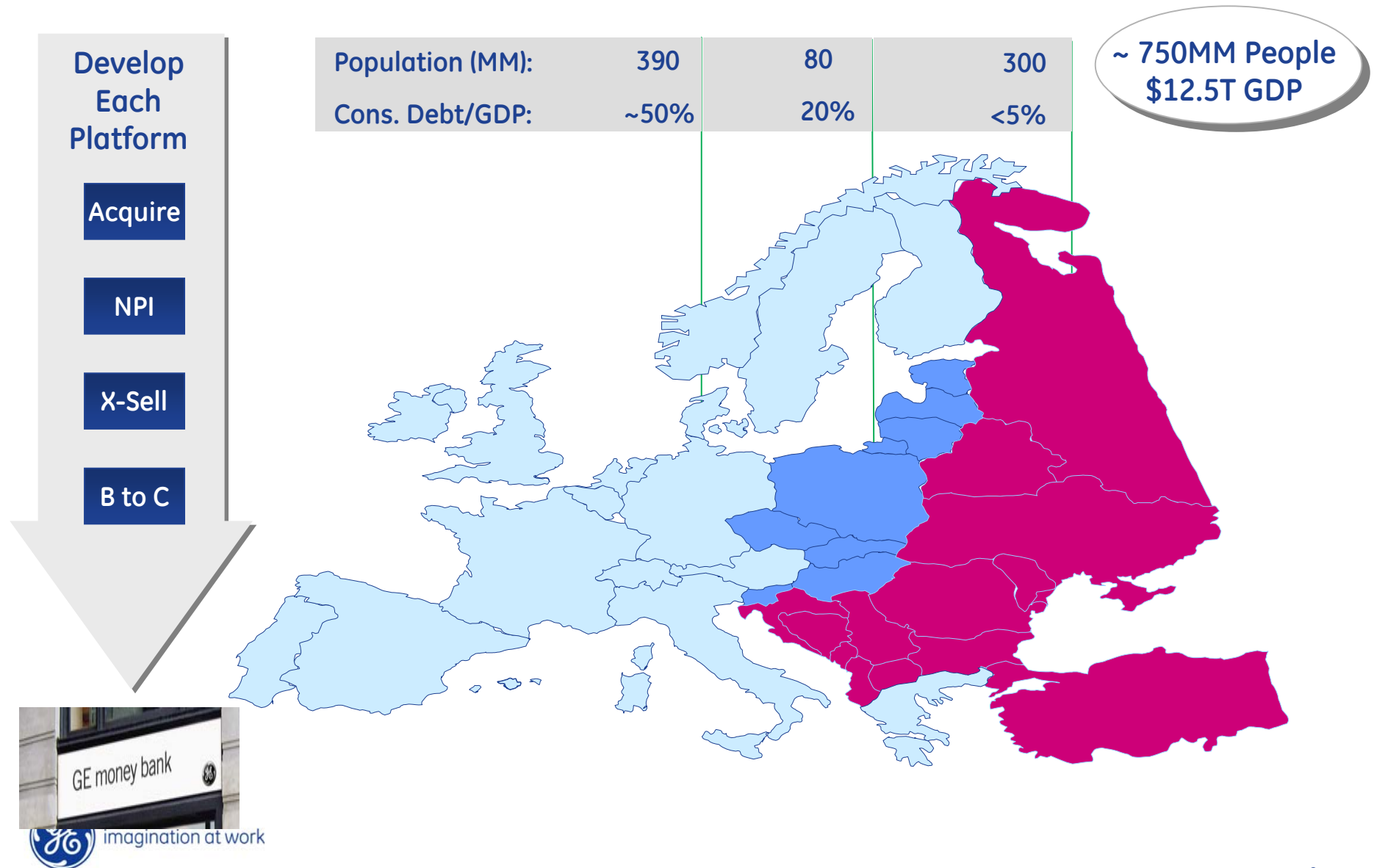
# Europe: Country Coverage



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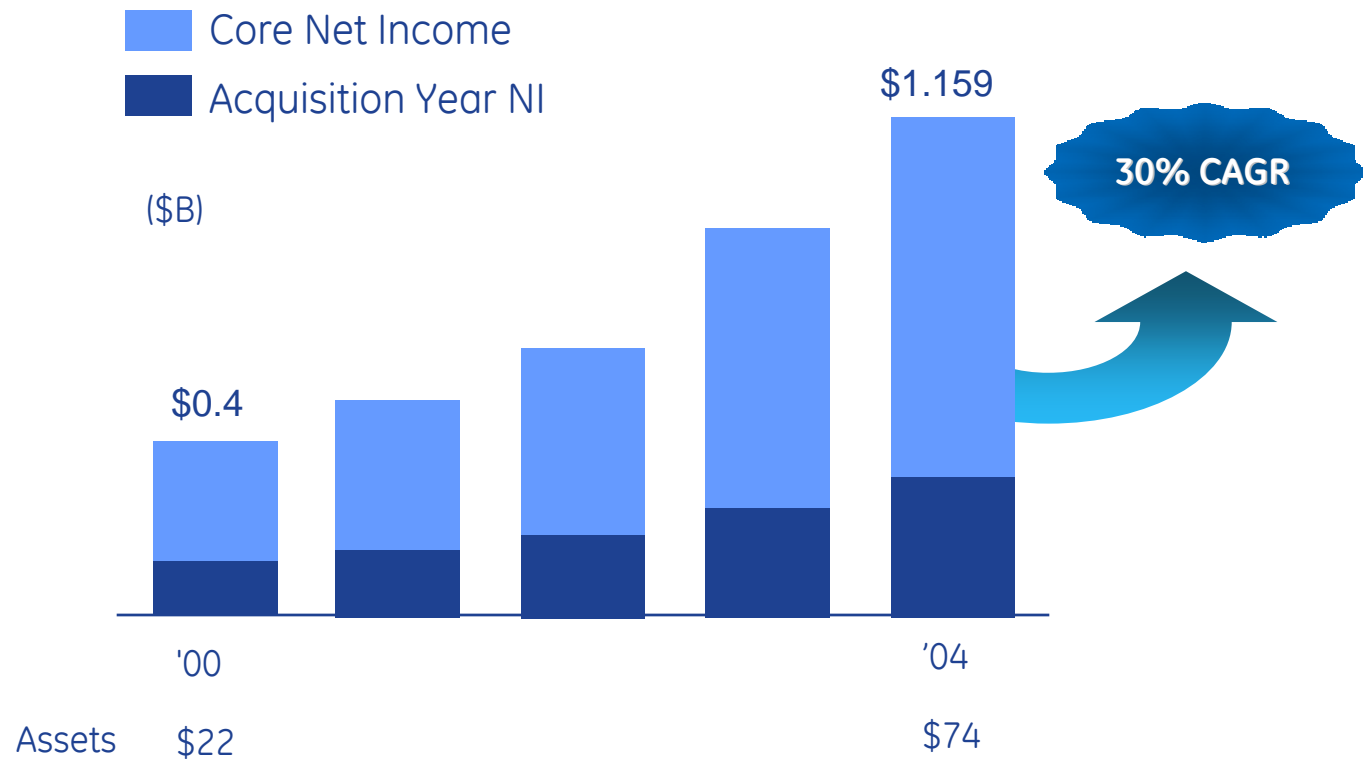
**21 Countries... 2004 Assets \$74B, Net Income \$1,159MM**

# Europe: Business Model...Go Deep, Move East













# Repeatable Growth Process...



# Overall Banking Sector Development

**Economic Trends Support Further Growth Prospects ...**

Growth Markets	'04 GDP Growth	Population (MM)	Retail Loans / GDP*	Retail Deposits / GDP*
 <b>Russia</b>	7.1%	143	3%	12%
 <b>Turkey</b>	8.2%	70	4%	28%
 <b>Ukraine</b>	12.0%	47	3%	12%
 <b>Romania</b>	8.1%	22	4%	10%
 <b>Bulgaria</b>	5.3%	7	7%	20%
 <b>Serbia</b>	6.5%	11	3%	8%
 <b>Croatia</b>	3.7%	4	28%	42%
				
<b>Euro Zone</b>	1.0%	248	52%	55%

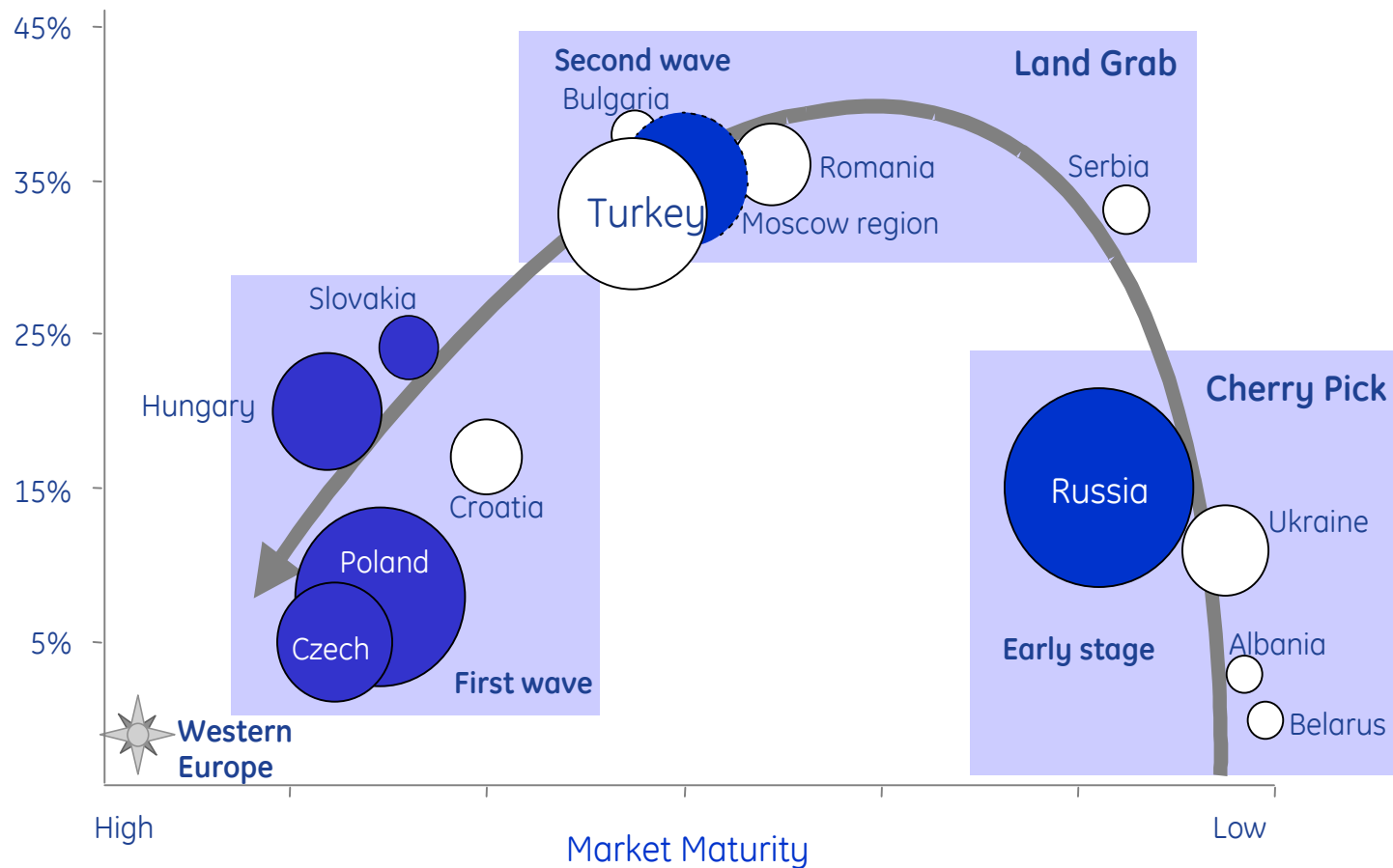


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\* 2003

# Eastern Europe Value Creation Path

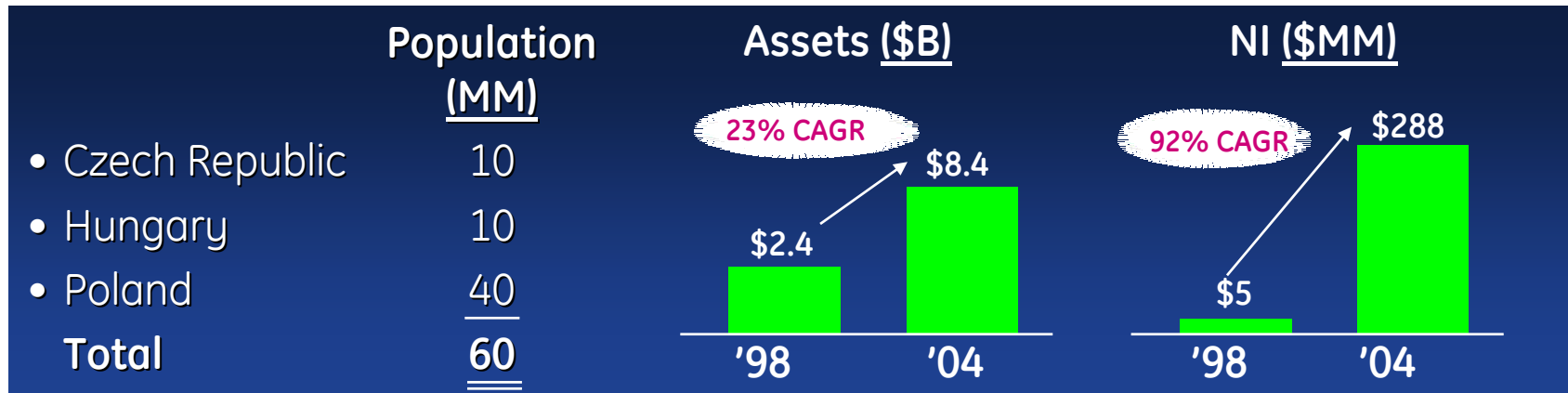
Est. 5 Yr. Value Creation



# Eastern Europe



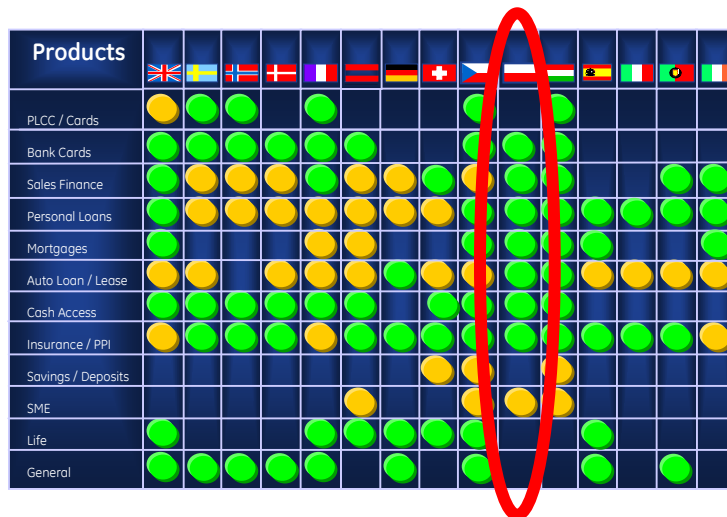
Early Entry & Build-Out...



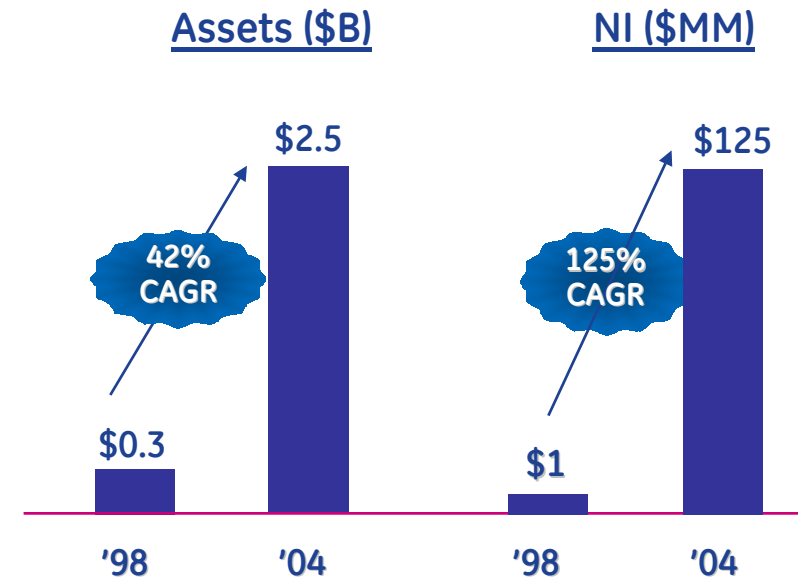
With Further Potential in New EU...

	\$ GDP per Head	Consumer Indebtedness
• Eastern Europe	\$6.5M	~ 20%
• 2003 EU Average	\$27.6M	~ 50%





# Building Scale...The Polish Experience



## Financial Performance:



# Broad Set of Products

	Product Roadmap			
	<u>Poland</u>	<u>Czech</u>	<u>Hungary</u>	<u>Russia</u>
				
• Card	●	●	●	●
• SF	●	●	●	●
• Mortgage	●	●	●	○
• Auto	●	●	●	○
• PL	●	●	●	◐
• Deposits	○	●	●	○
• CA	○	●	●	○
• Wealth Mngmt	◐	○	◐	○
• SME	◐	●	●	-
• Insurance	●	●	◐	◐

● In Place

◐ In Development

○ Planned '06 – '08

# Great Distribution



**Retailer POS**

**17,302**



**Dealers**

**2,955**



**Agents**

**2,395**



**ATMs**

**604**



**S2S Associates**

**540**



**Branches**

**385**



**Mobile Sales**

**40**



**Kiosks**

**22**



# Russia



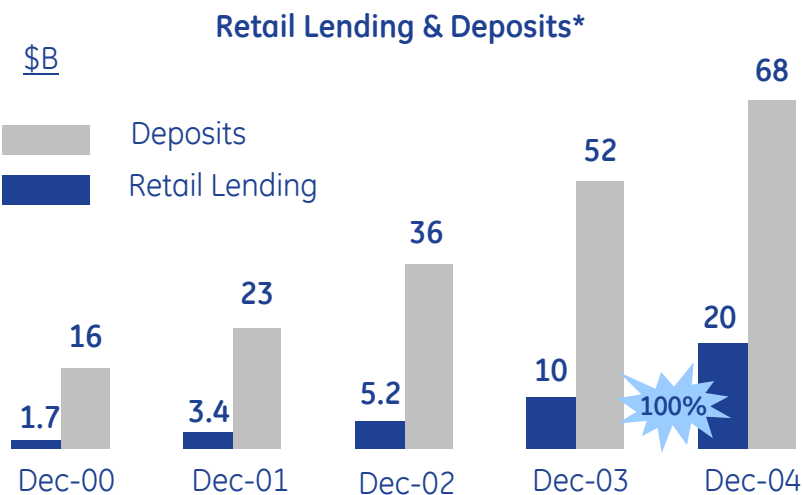
143 Million People

Unemployment Rate 7.7%

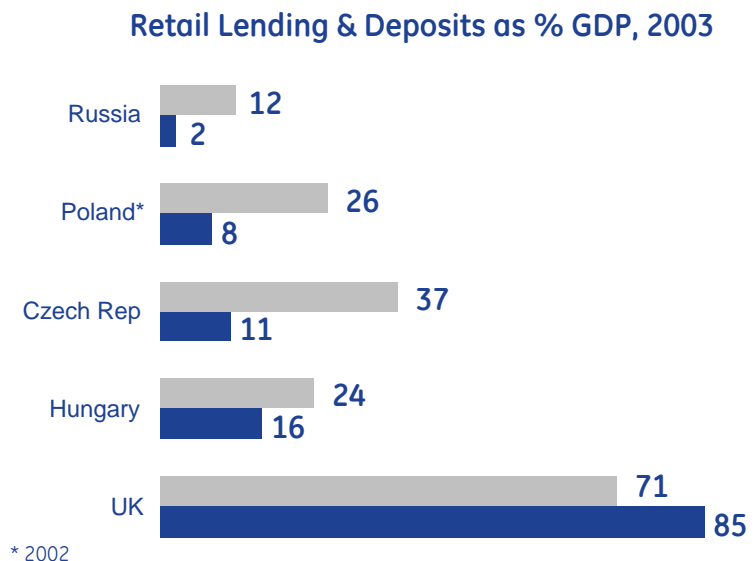
Budget Surplus Since 1999...Net Oil Exporter

- Average Real Wages ↑ 15-20% Per Year
- Lowest Personal Income Tax in Europe at 13%
- Consumer Debt/GDP at 2%

## Strong Growth in Retail Banking Sector...

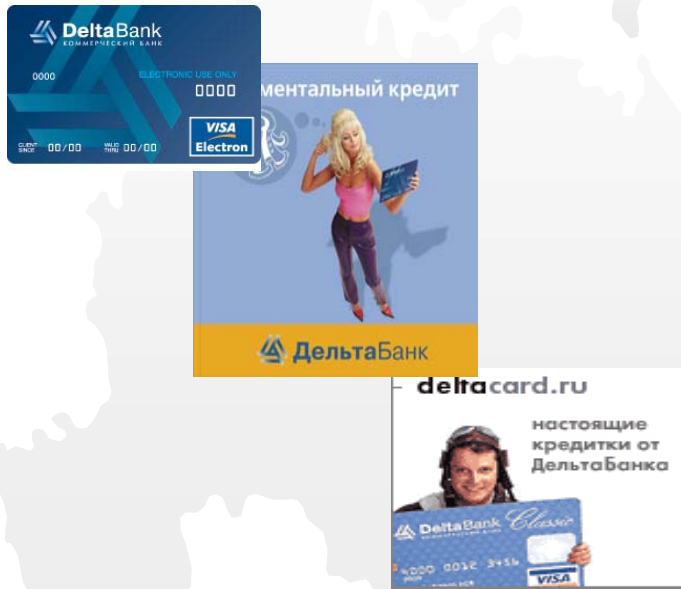


## ...and More Room to Grow





# Platform for Russia



- # 1 issuer of VISA credit cards in Russia
- 5 branches in Moscow and 1 in St. Petersburg
- Consumer portfolio of ~ \$80 million
- Deposit taking / Cash Access infrastructure
- Partnered with major retailers

# Looking Ahead

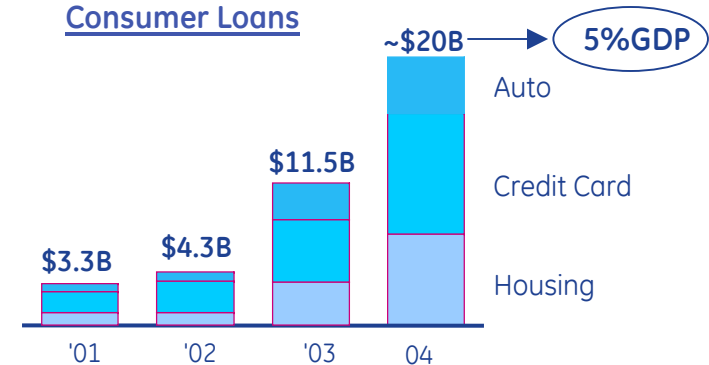
## Turkey



	2005E
GDP (\$BN at PPP)	601.5
Real GDP Growth (%)	5.8
Unemployment (%)	10.7
Avg CPI Growth (%)	9.9

Population : 71.5MM, +1.3% per year  
GDP Per Capita : \$5102, +33% in 2008

### Consumer Loans



## Ukraine



- Population : 47.4 M -0.5% per year
- GDP Per Capita : \$ 1579, +40% in 2008
- 2005 GDP Growth: 8 %

## Serbia



- Population : 10.5 M 2005 +0 % per year
- GDP Per Capita : \$ 2359, +9% in 2006
- 2005 GDP Growth: 4 %

## South Africa



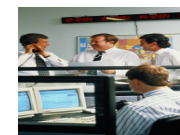
- Population : 47 M 2005 +0.5 % per year
- GDP Per Capita : \$ 5097, +5% in 2008
- 2005 GDP Growth: 4.8 %

# Emerging Markets Priorities

## Drive Focus In Six Areas ...

**1 Build Out Russia Platform**

**4 Expand SME**



**2 Execute Entry Into New Markets**

Turkey



Serbia



Croatia



Bulgaria



Romania



Ukraine



### Strategies

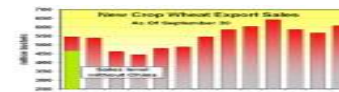
- Greenfield
- Acquire
- Minority Stake

**5 Leverage BP Sharing Real !**



**3 Broaden Retail Banking**

**6 Accelerate SFE**



## ... And Maintain Focus On ...

**Leadership  
Development**

**Compliance  
Management**

**Risk  
Management**

**Financial  
Commitments**

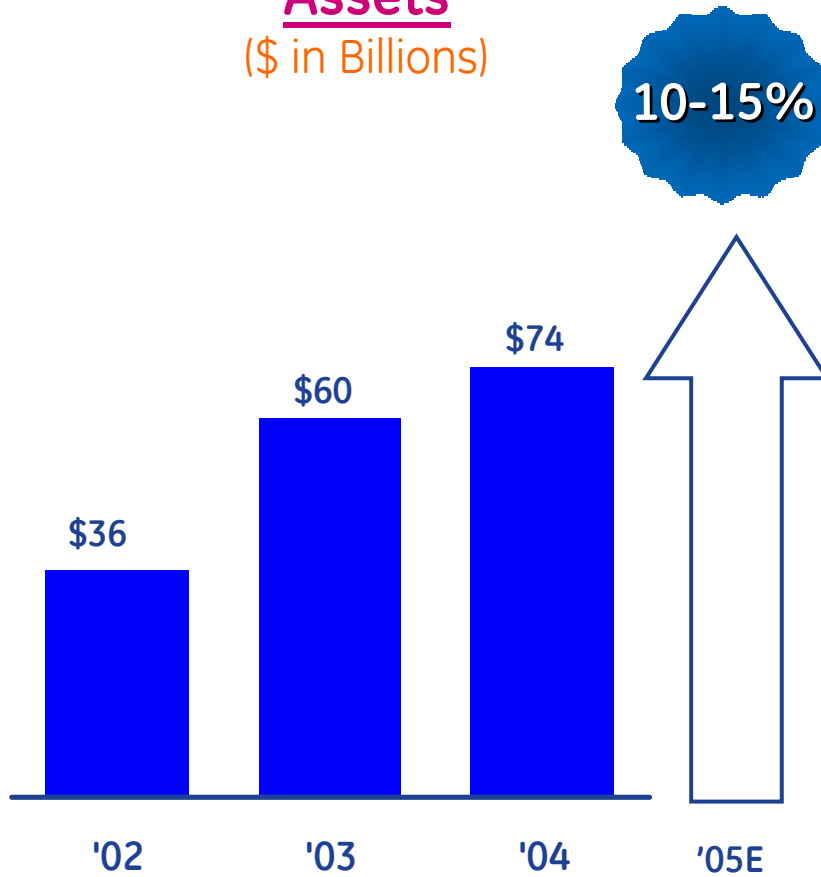


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# Financials - Europe

## Assets (\$ in Billions)

10-15%



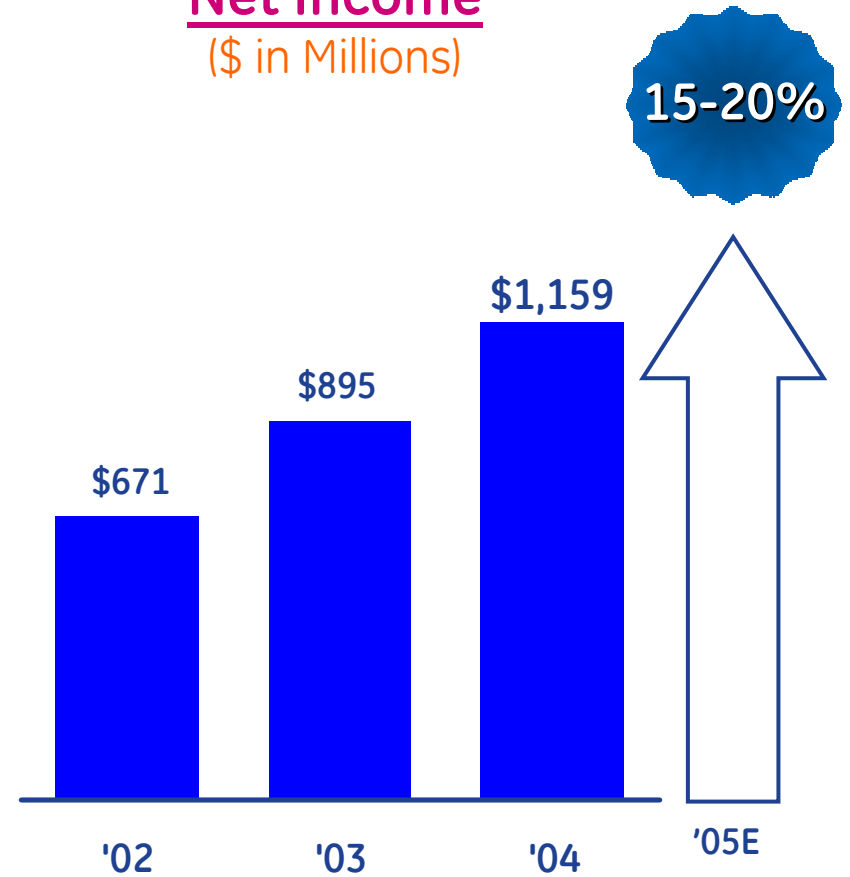
# Active A/Cs 16  
(in Millions)

19

21

## Net Income (\$ in Millions)

15-20%



Loss Rate 1.4%

1.3%

1.3%