

GE Consumer Finance

Dan O'Connor

President and CEO, GE Consumer Finance – Europe

May 11, 2005



imagination at work

"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."

GE businesses

Energy
\$20B Rev.



Healthcare
\$15B Rev.



Commercial Finance
\$270B Assets



NBC Universal
\$15B Rev.



Growth
Engines

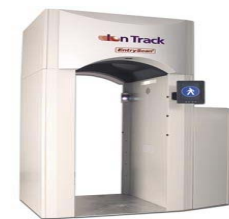
Transportation
\$16B Rev.



Consumer Finance
\$151B Assets



Infrastructure
\$5B Rev.



Consumer &
Industrial



Advanced Materials



Insurance



Equipment &
Other Services



Who Are We?

LAURA ASHLEY



DEBENHAMS
BRITAIN'S FAVOURITE DEPARTMENT STORE



BANANA REPUBLIC

B&Q



AT&T

TESCO



- 105,000 Locations Worldwide
- Instant Decisioning
- Promotional Credit
- Customized Loyalty Programs

The Largest Provider Of Retailer Finance Programs In The World

Who Are We?



Mercedes-Benz

- 65,000 Locations
- 45 Auto Manufacturer/Distributor Contracts
- 3MM Cars



The Only Global Independent Auto Finance Company



imagination at work

Who Are We?



A Fast Growing Personal Loan Company

Who Are We?



- \$49B In First 3 Years
- 10,000 Brokers
- Prime & Near Prime Consumers
- 150,000 Homes



An Emerging Global Mortgage Provider

What We Do

Broad Product Line

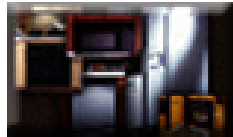
Credit
Cards



Personal
Loans



Sales
Finance



Mortgages



Auto



Insurance



Multiple Distribution Channels

Retailers

Mail

Telemarketing

Branches / Partner Points

ATM / Kiosks

Internet

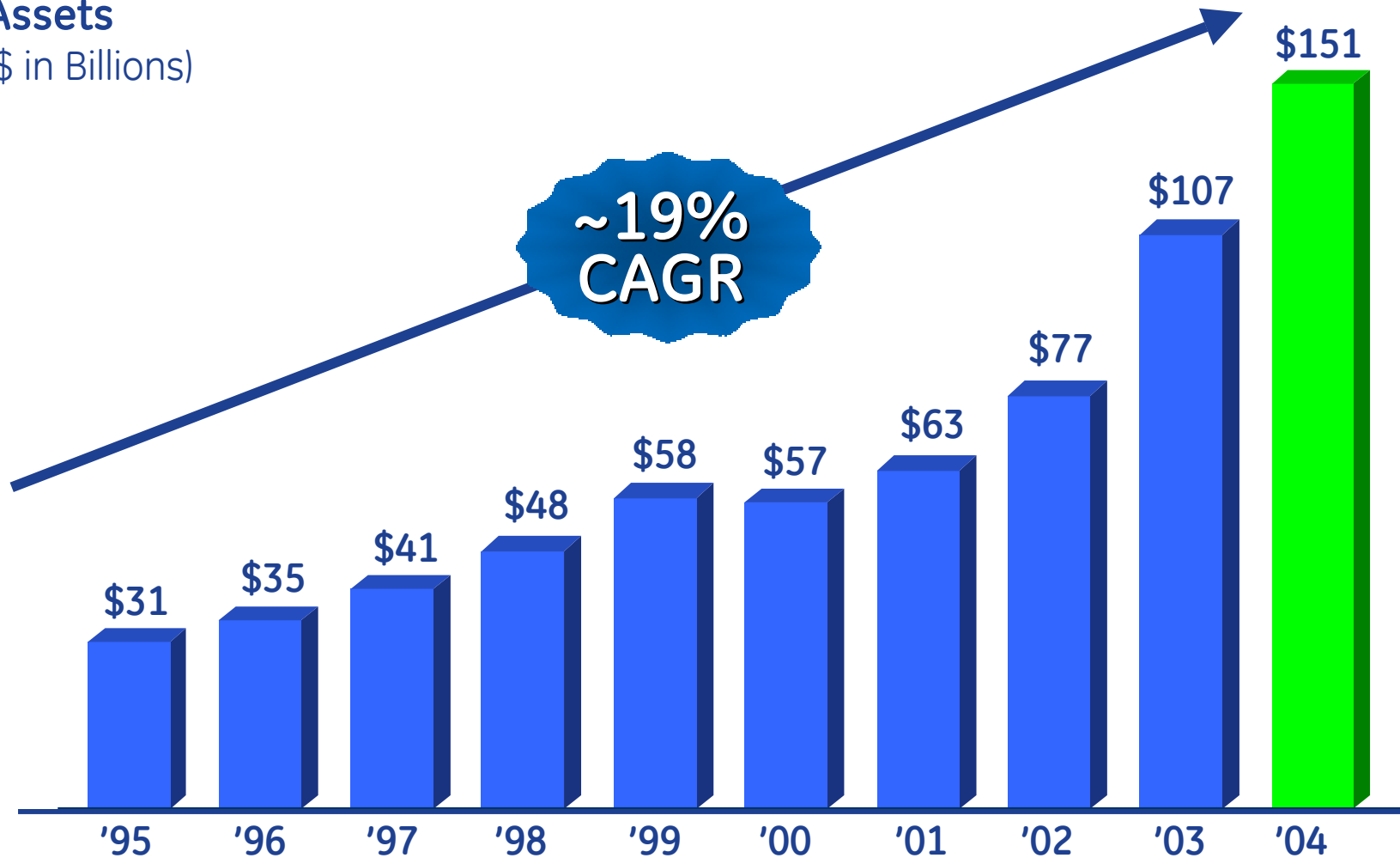
Target Customers



Strong Asset Growth Record

Assets

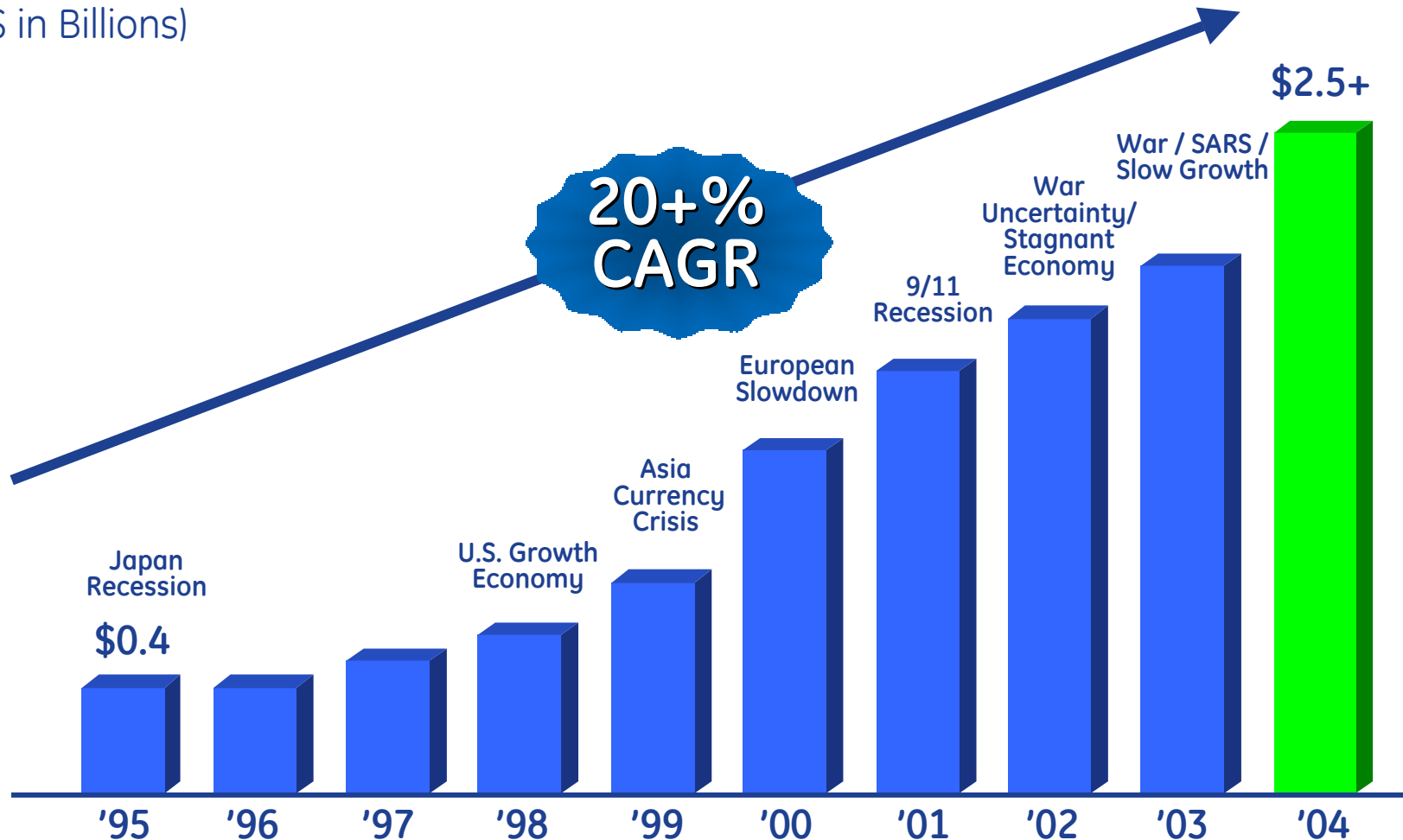
(\$ in Billions)



Consistent Growth Through Cycles

Strong Earnings History

Net Income
(\$ in Billions)



Consistent Growth Through Cycles

We Have Built a “Culture” of Growth

(\$ in Billions)

GECF Charter

\$2.5+ Net



Our Earnings Are Uniquely non-US (75%)

Argentina
Australia
Austria
Belgium
Brazil
Canada
China
Czech Republic
Denmark
DOMs
Finland
France
Germany
Hong Kong
Hungary
India
Indonesia
Ireland
Italy

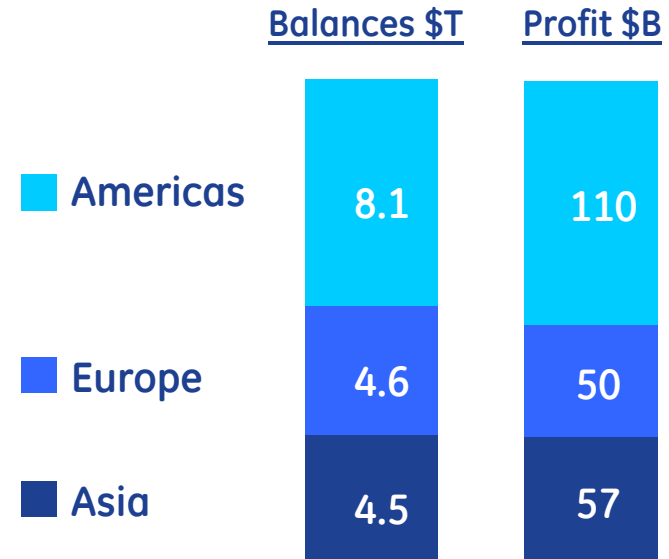
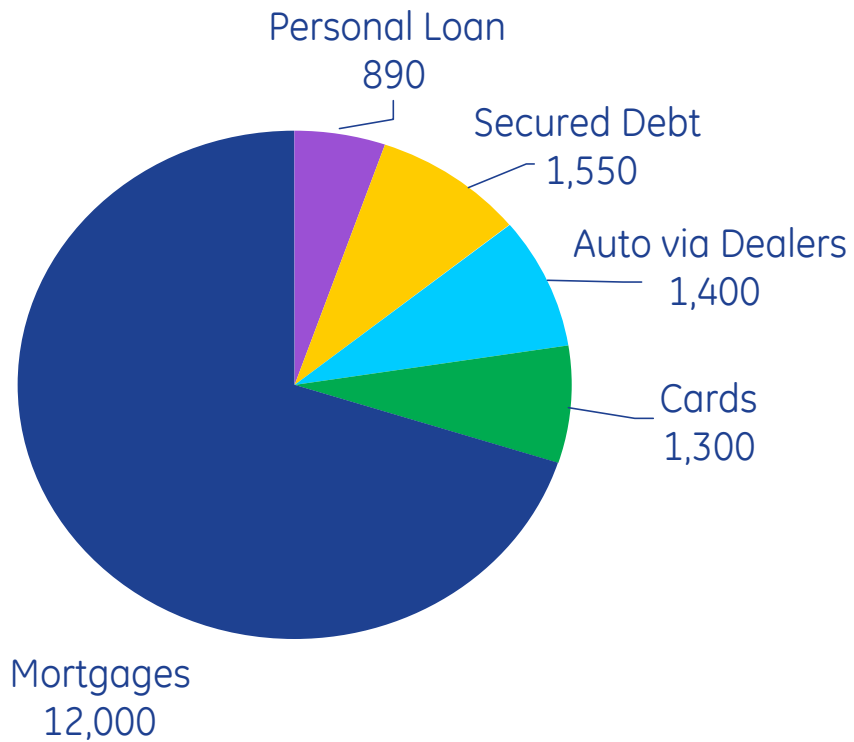


Japan
Korea
Latvia
Mexico
New Zealand
Norway
Poland
Portugal
Romania
Russia
Singapore
Slovakia
Slovenia
Spain
Sweden
Switzerland
Taiwan
Thailand
United Kingdom
United States

Serving Over 110MM Consumers In 41 Countries

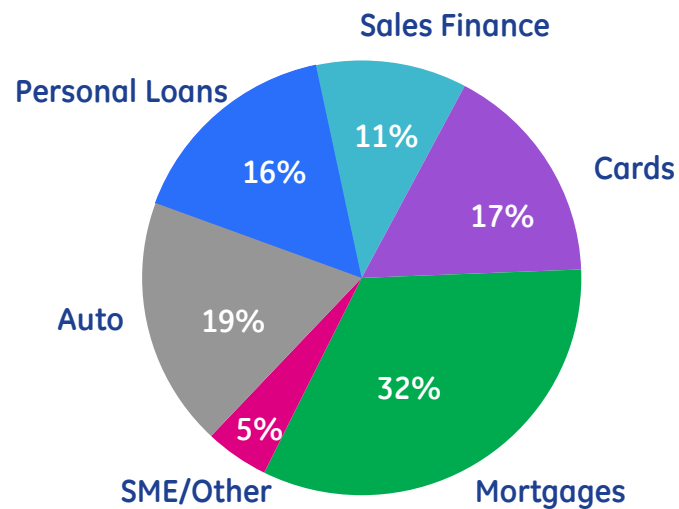
Huge \$17T Global Market

(\$ in Billions)



Products and Reach – '04

Product Lines – Assets



Reach

Consumers

110MM

Assets

\$151B

ATMs

185M

Retail Outlets

142M

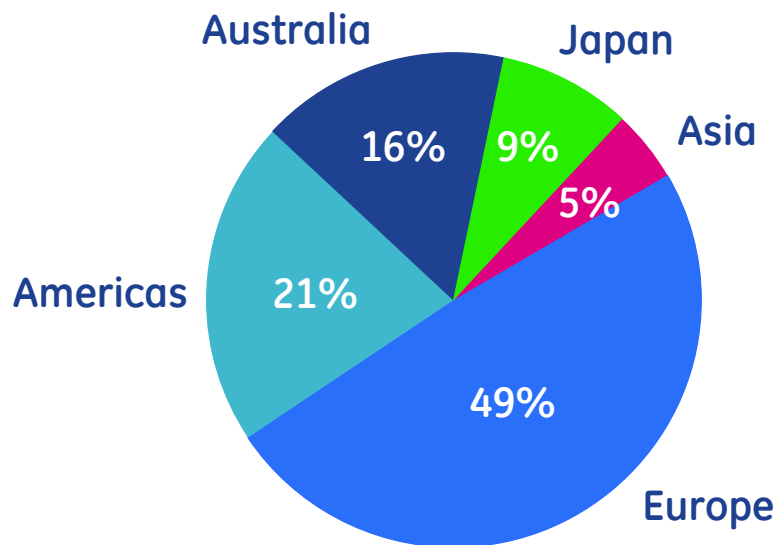
Branches

>3,100

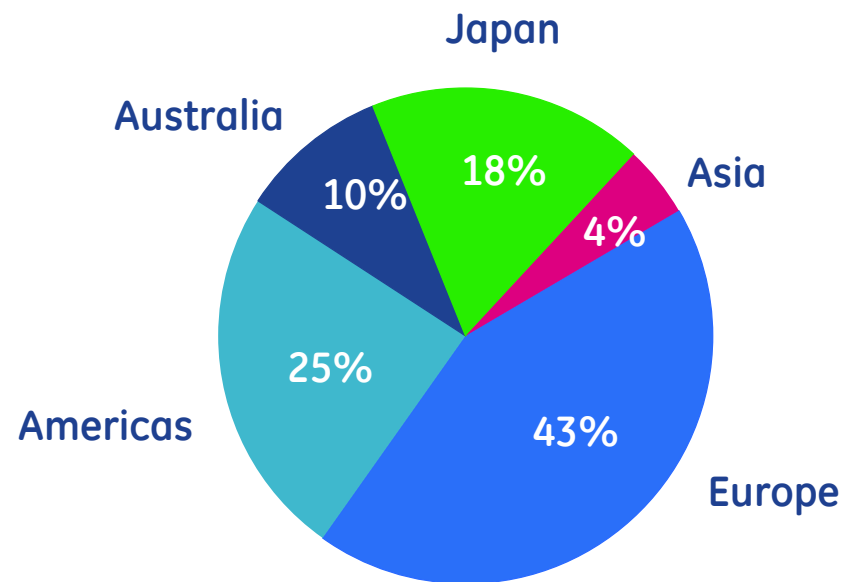
Large and Diverse Customer Base

Business Overview – '04

Assets



Net Income



A Global GE Business

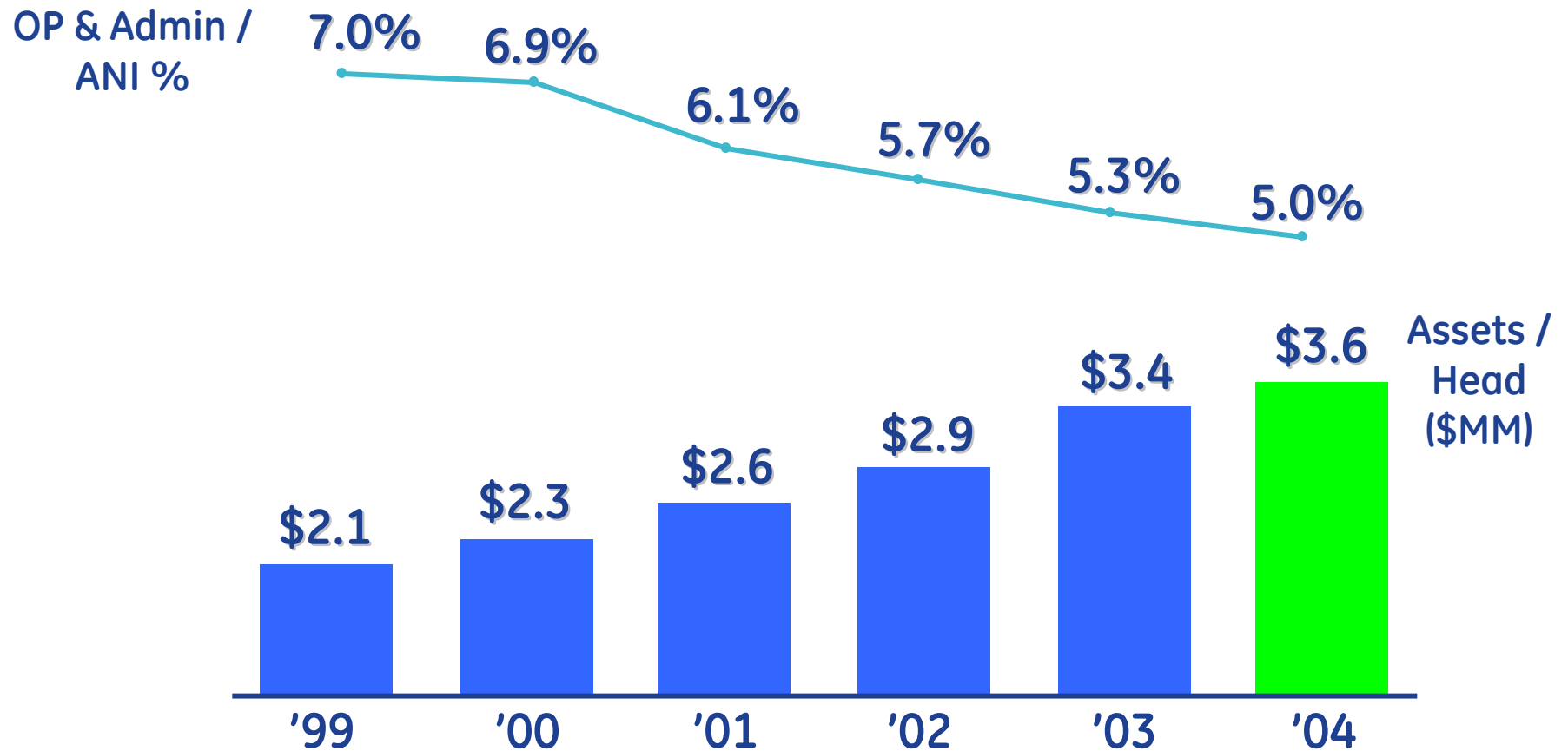
Re-Brand To GE Money



◆ Position GE Money As A Trusted, Yet Fast & Convenient Lending Institution

◆ Simplify & Focus Consumer Communications

Productivity



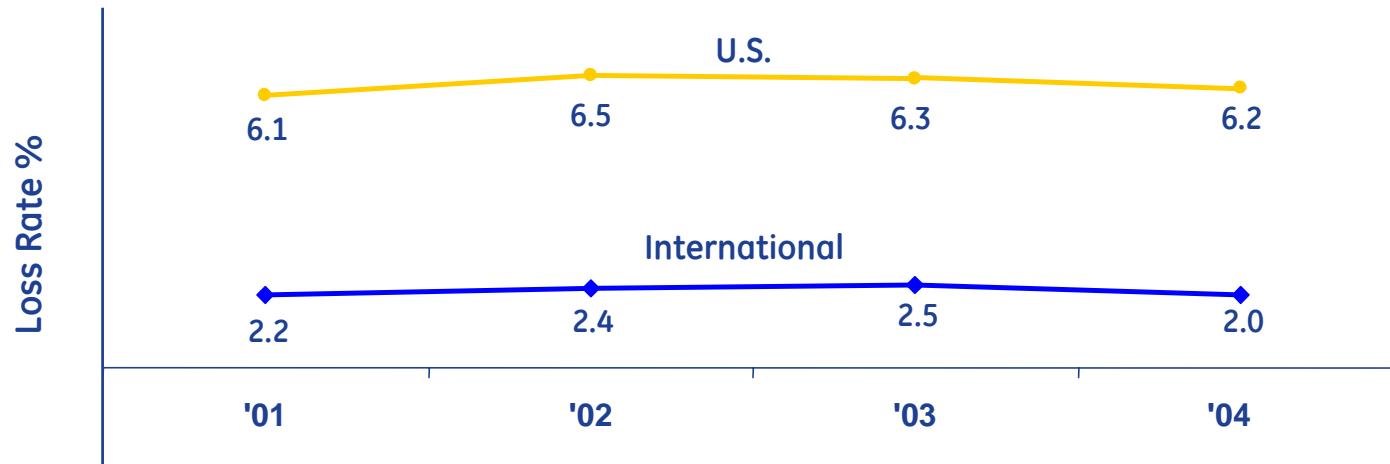
Consistent Productivity Gains Every Year

Risk Management

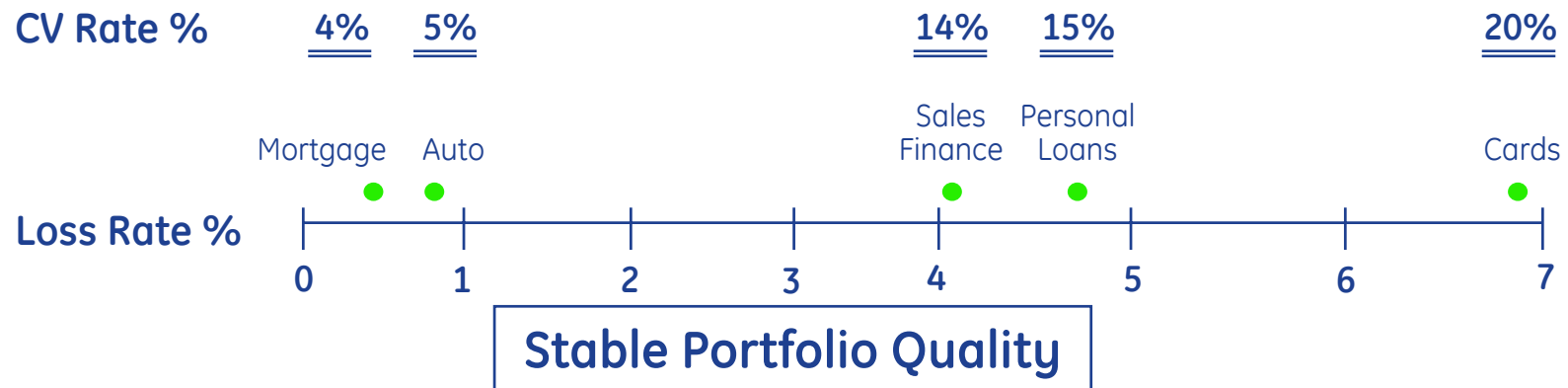
- **World Class Risk Management**
 - Apps, Collections and Behavior Scoring
 - Rigorous Credit Line Management
 - High Tech Collection Centers
- **Strong Reserving and Strict Re-aging Policies**
- **Comprehensive Oversight and Portfolio Management Policies**
- **Continuous Investment in Risk Technology to Enable Growth**
- **Big Focus of Acquisition Due Diligence and Integration**

World Class Risk Management = Great Long-Term Performance

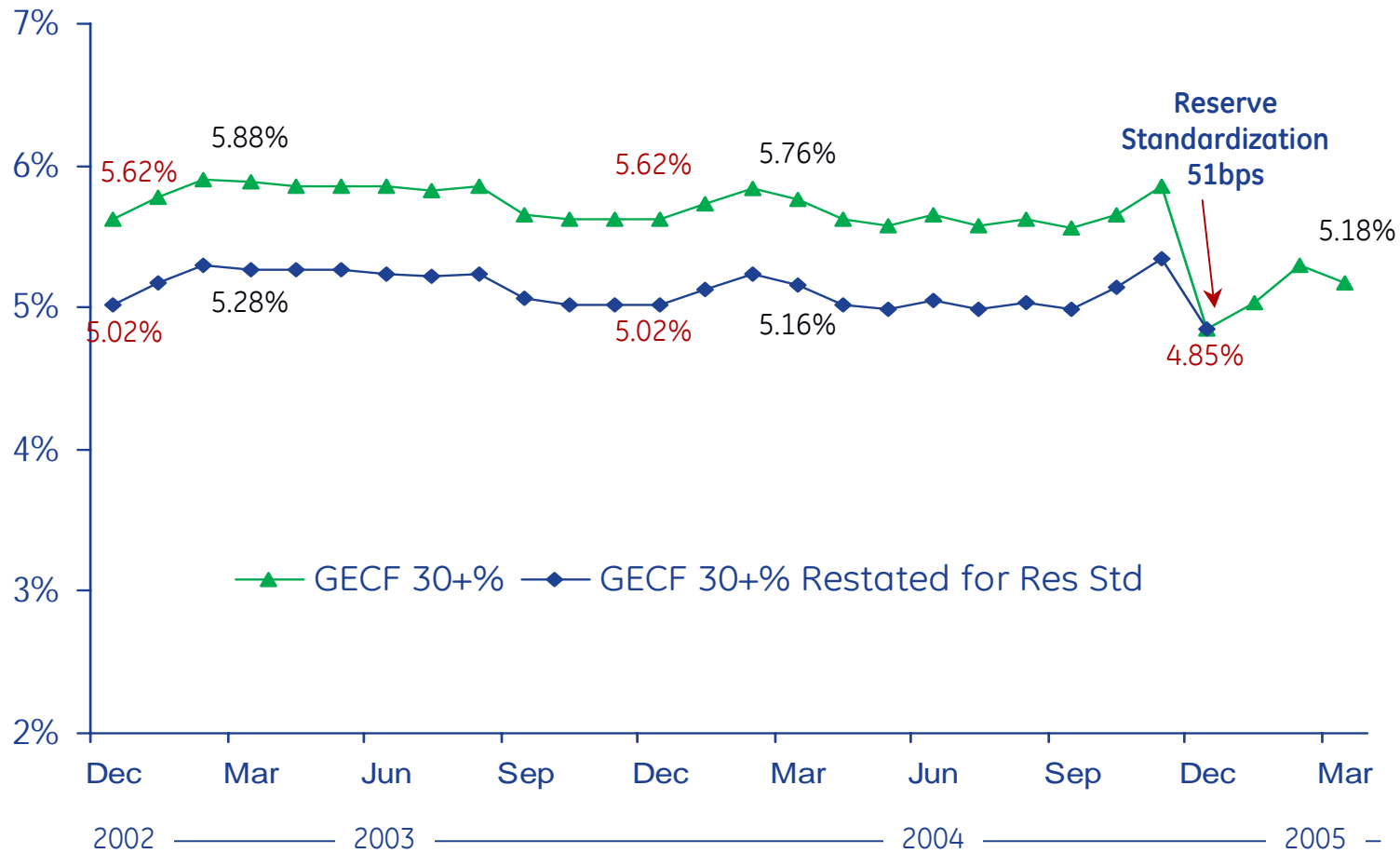
Loss Trends



A Broad Range of Product Risk Profiles
... Higher Spreads Compensate for Higher Losses



Global 30+ Delinquencies



Compliance

- **Compliance Leader in Every Country**
- **Compliance Culture**
 - Spirit & Letter → 38,000 (95%) Employees Signed Policy in '04
 - CCRP → 400,000 Complaints in '04
- **Telephone Follow Ups** → 180,000 Phone Calls Expected in '05
- **Secret Shoppers / Secret Audits** → 20,000 Expected in '05
- **Resources** → IT for Terrorist List / AML Hire
→ Regulatory VP
- **Gap Assessment** → Annual (by Country)

**More Than 450 Legal, Compliance and Audit Personnel;
Investing Over \$60MM In '05**

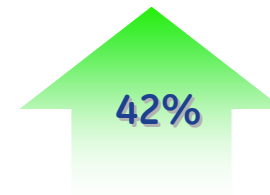
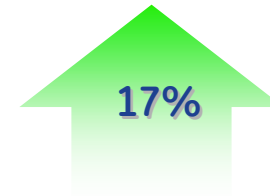
2004 Global Financials

Net Income \$2.5+B

Ending Assets \$151B

Loss Rate %
U.S. 6.2%
Int'l 2.0%

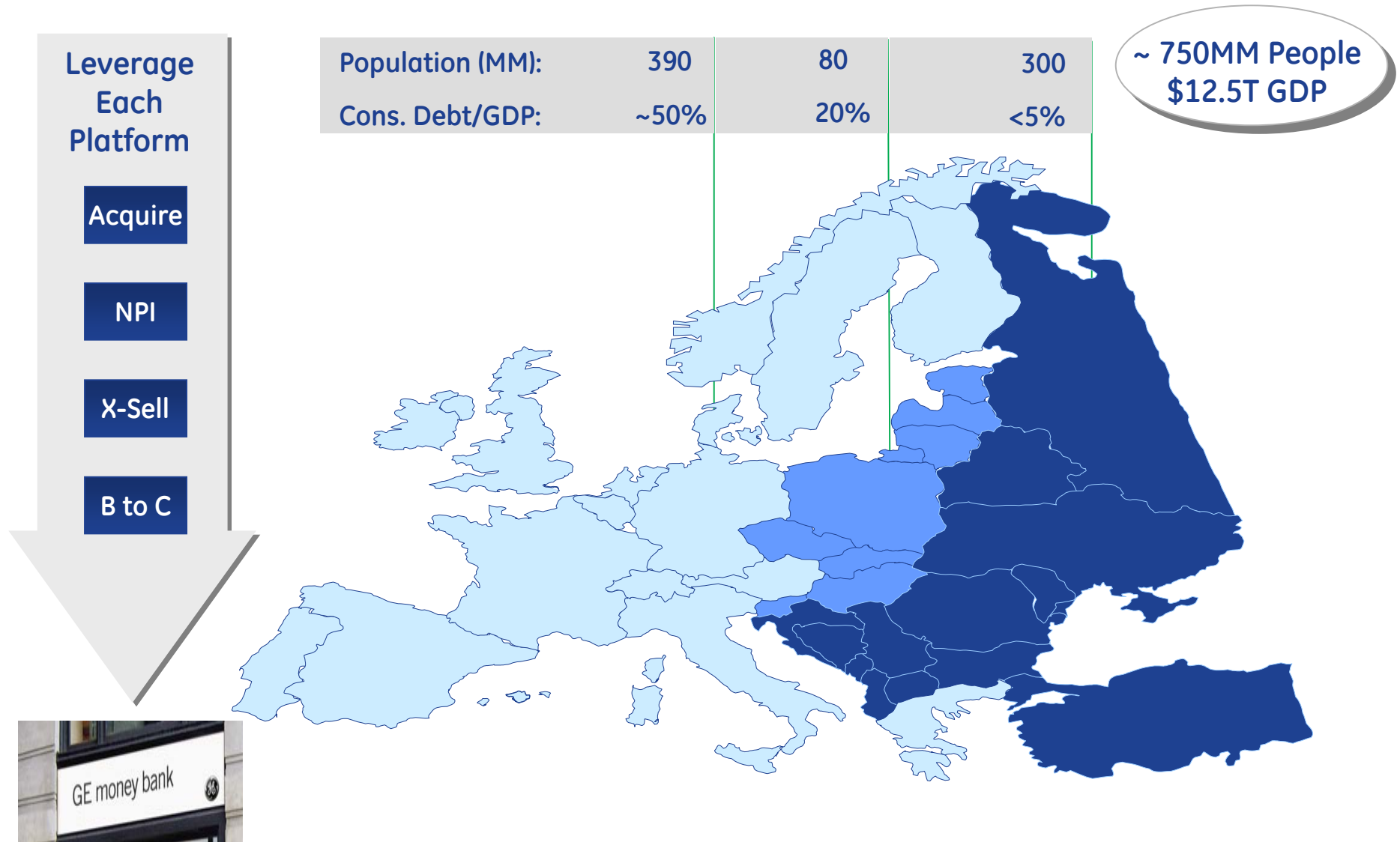
Expenses As %
Investment
↓ 17 bps



State of the Art
Risk Management

6σ Process
Discipline

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



Europe: Asset Growth

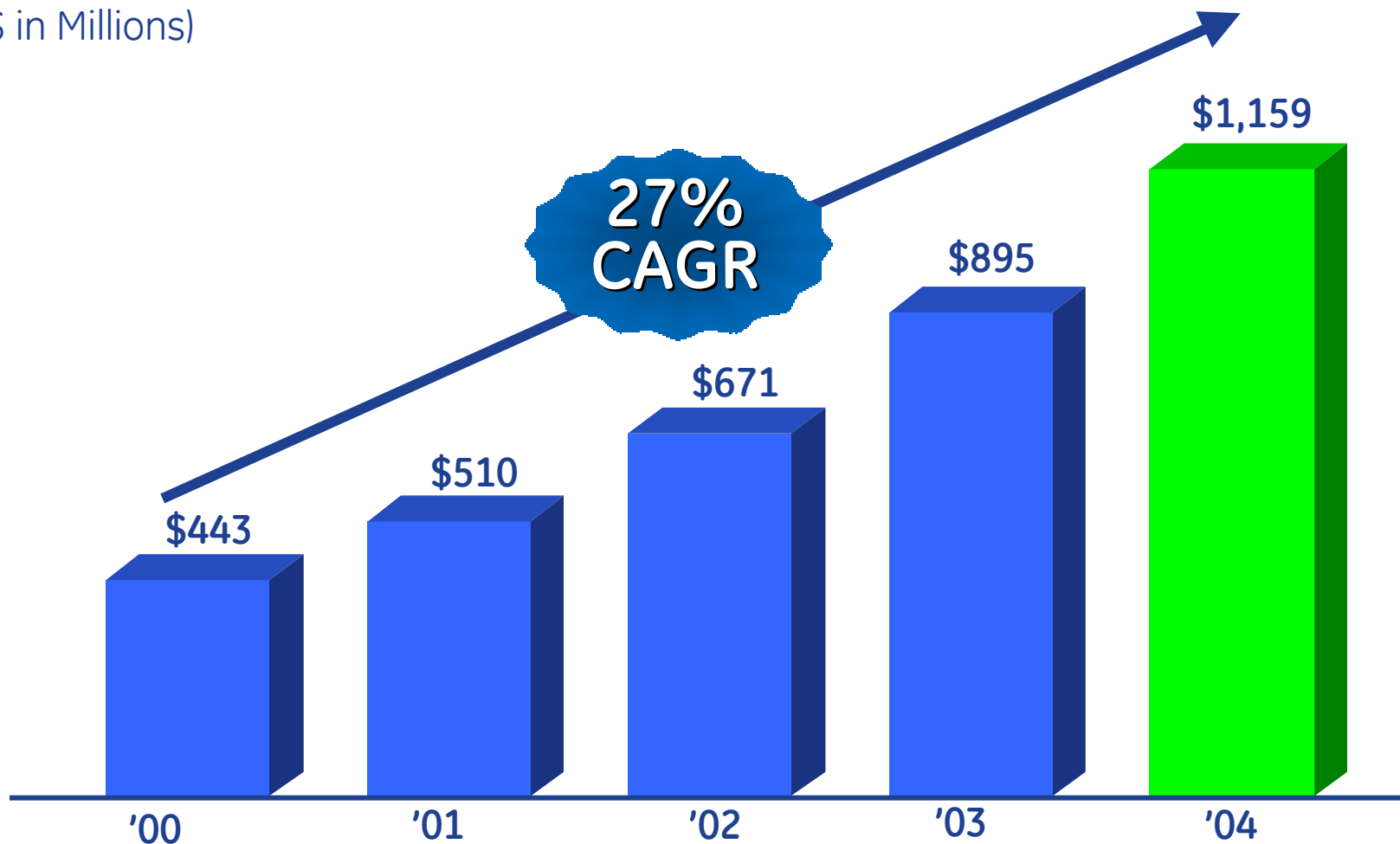
Assets

(\$ in Billions)

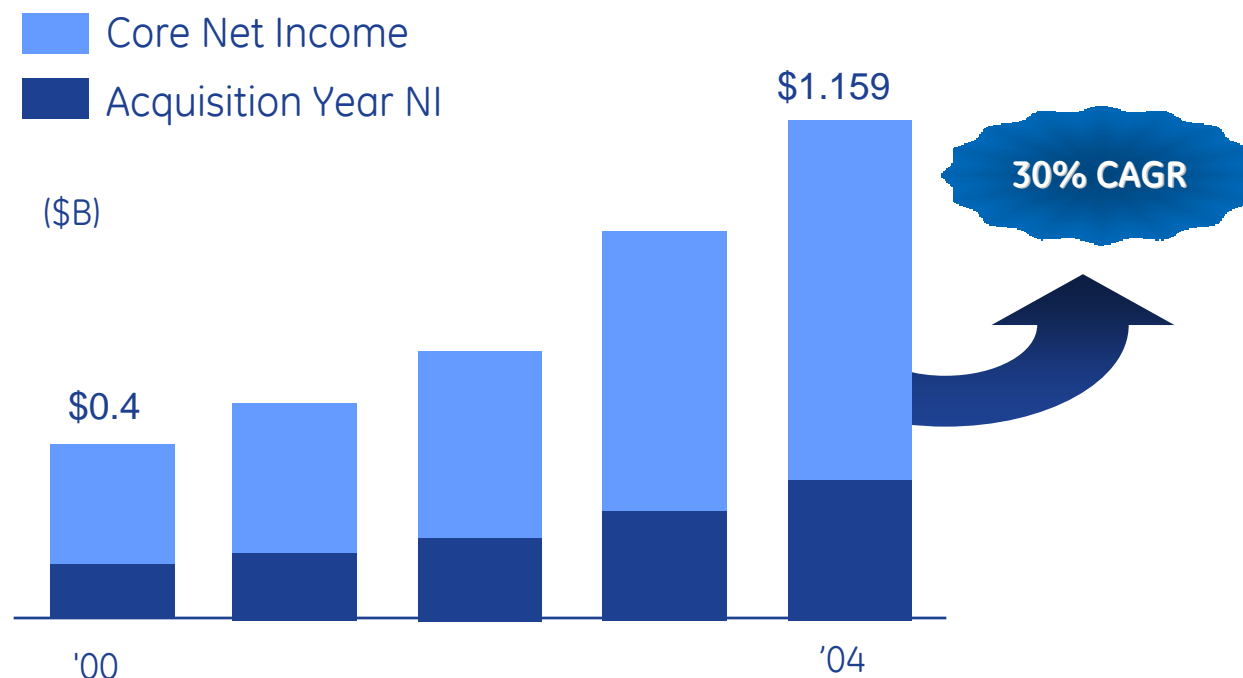


Europe: Earnings History

Net Income
(\$ in Millions)



Repeatable Growth Process...



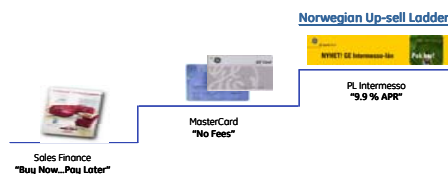
We Don't Buy Growth ... We Grow What We Buy

European Strategy...Imagination Breakthroughs



1. Expand Country Coverage

- Russia, Latvia in '04
- Expand East
- S. Europe Distribution



3. Drive Cross-Sell

- UK Dual/Bankcard Transformation
- Automated Marketing
- Maximize Touch Points – S2S



2. Continue Mortgage Rollout

- Accelerate France
- 8 Launches in '04
- More Planned for '05



4. Expand Retail Banking

- Access to Deposit Funding
- Platform for X-Sell
- Germany & CEE

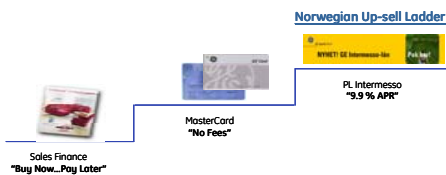
European Strategy...Imagination Breakthroughs



1. Expand Country Coverage



2. Continue Mortgage Rollout

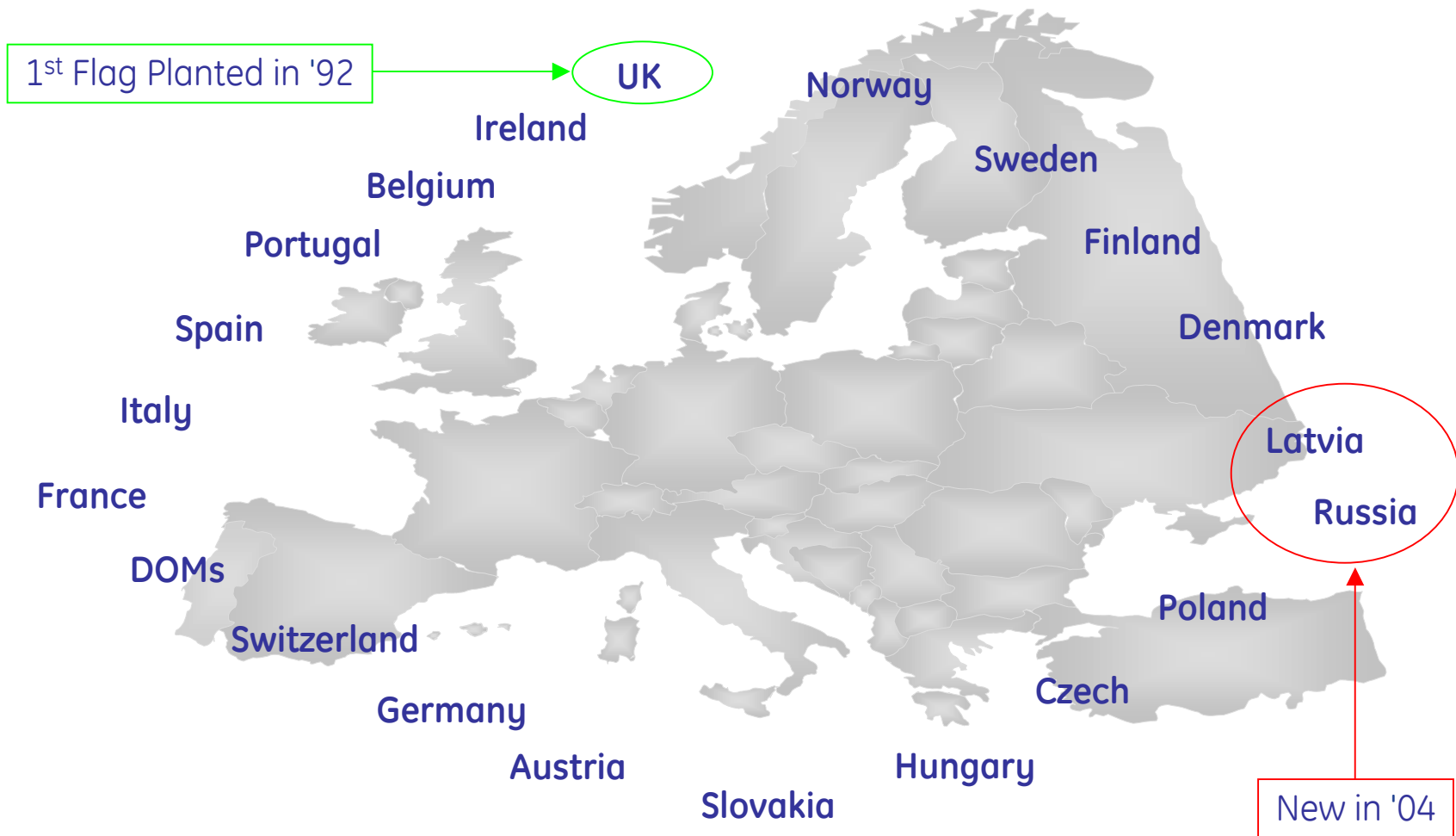


3. Drive Cross-Sell



4. Expand Retail Banking

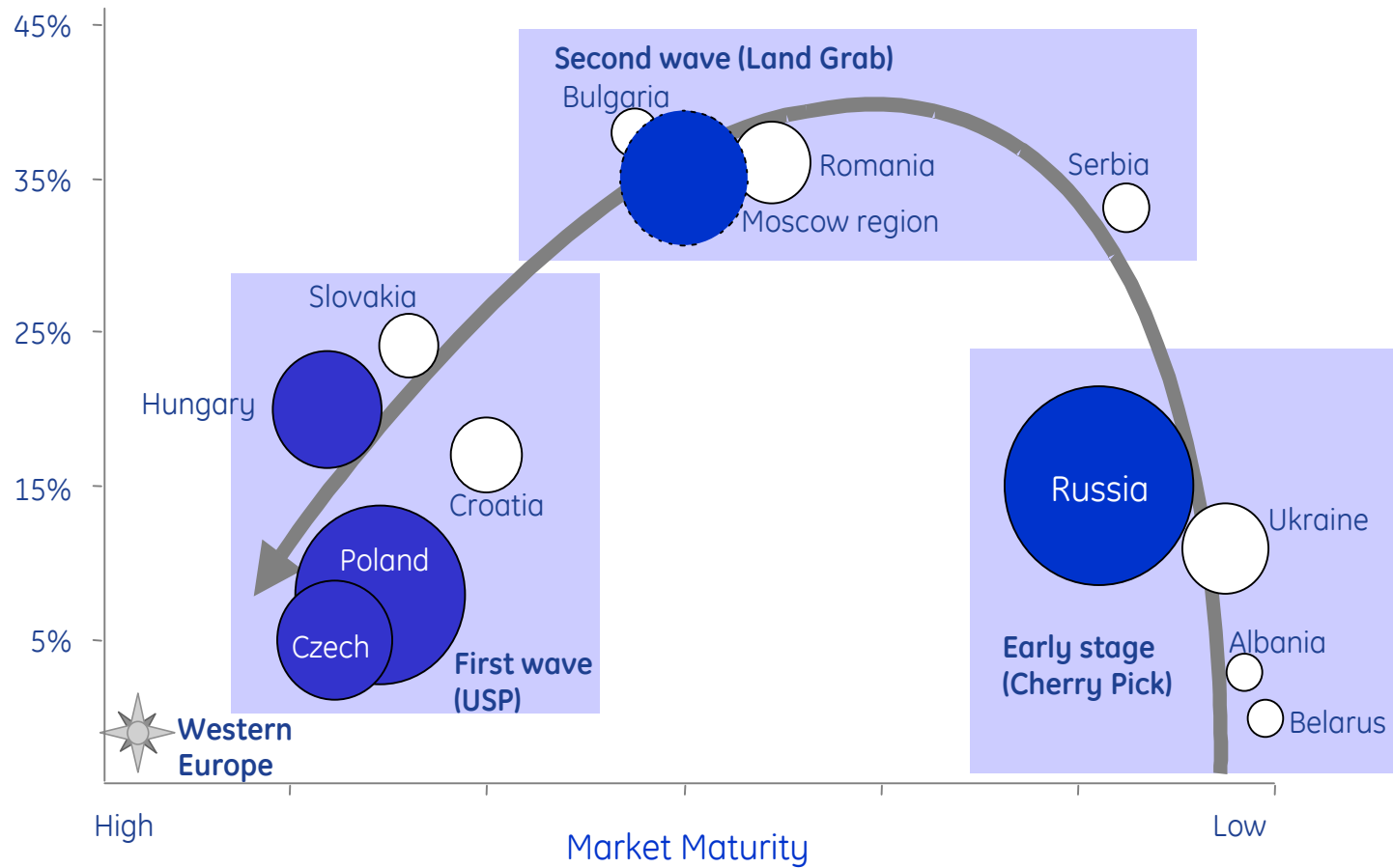
Europe: Country Coverage



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

Eastern Europe Value Creation Path

Est. 5 Yr. Value Creation



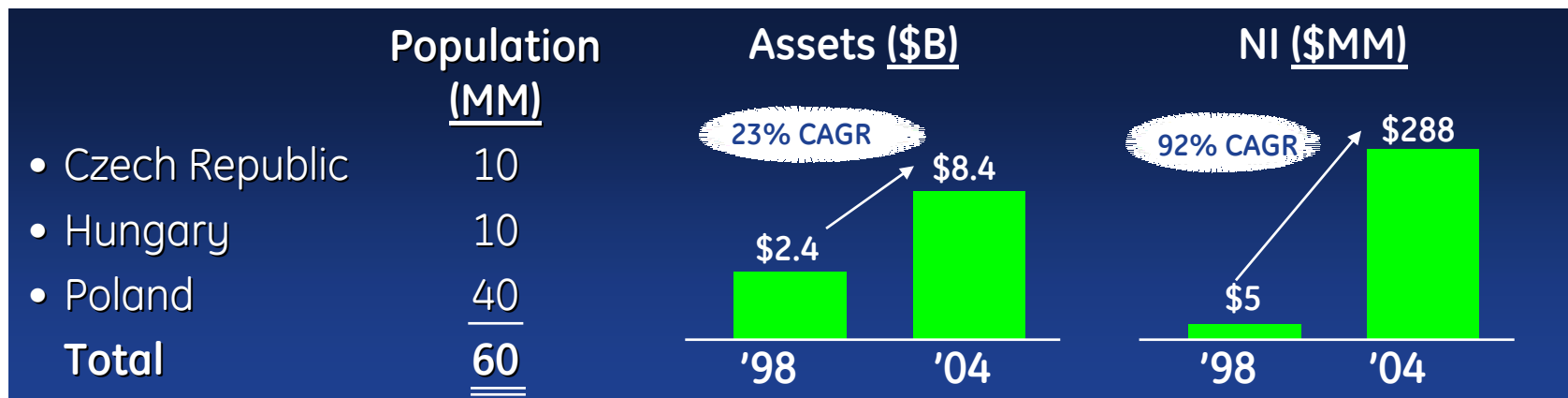
'03 Revenue Pool

○ = EUR 1B

● = GE Presence

Eastern Europe

Early Entry & Build-Out...

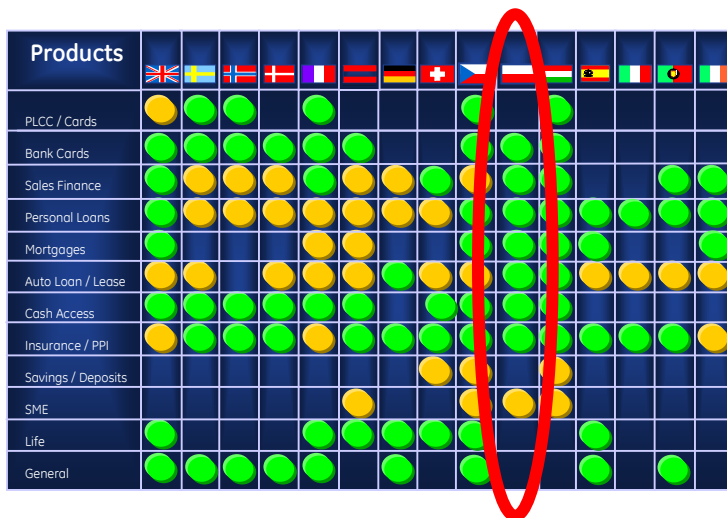


With Further Potential in New EU...

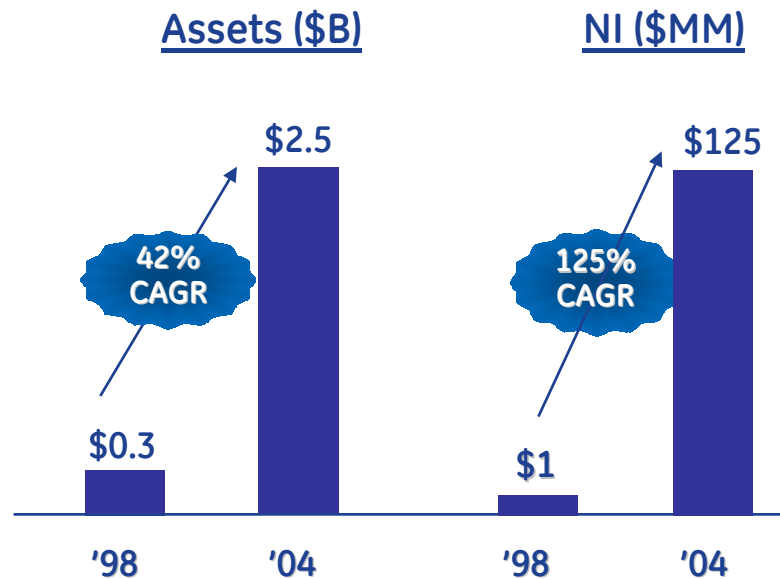
	\$ GDP per Head	Consumer Indebtedness
• Eastern Europe	\$6.5M	~ 20%
• 2003 EU Average	\$27.6M	~ 50%

A GE Growth Engine In Europe

Building Scale...The Polish Experience



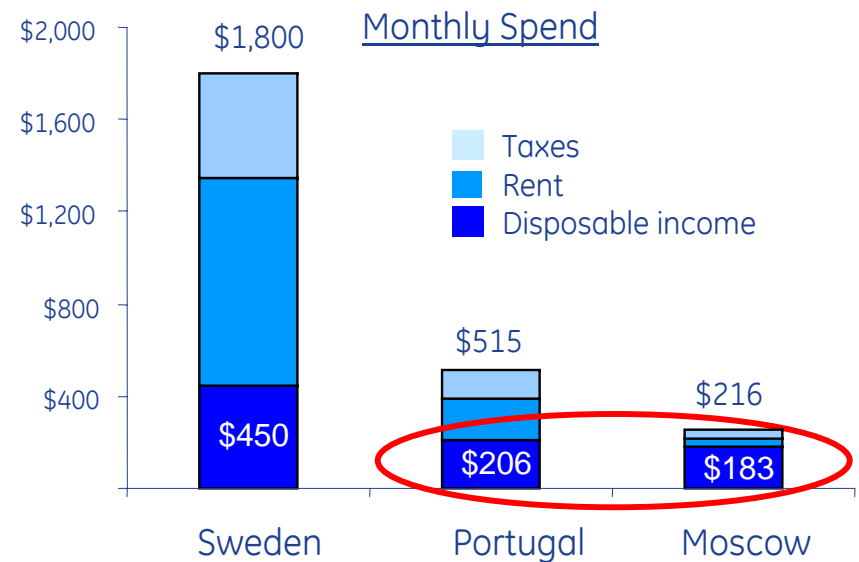
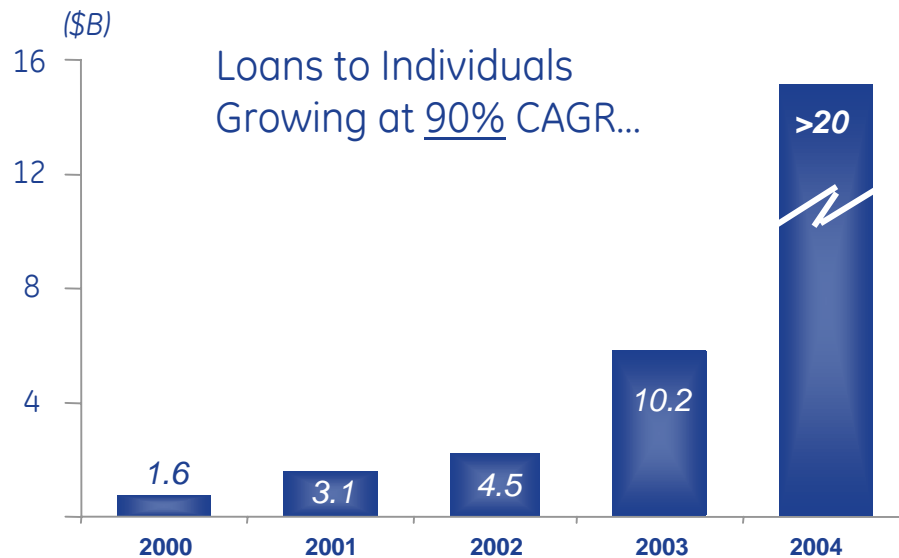
Financial Performance:



Russia



- 143 Million People
- Unemployment Rate 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%



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

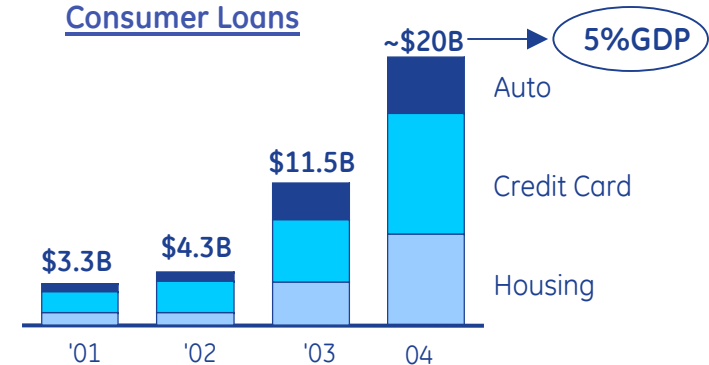


	2005E
GDP (\$BN at PPP)	601.5
Real GDP Growth (%)	5.8
Unemployment (%)	10.7
Avg CPI Growth (%)	9.9

Population : 71.5MM, +1.3% per year

GDP Per Capita : \$5102, +33% in 2008

Consumer Loans



Ukraine



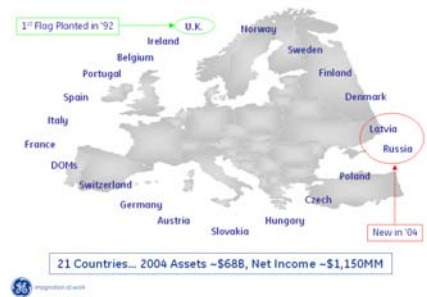
- Population : 47.4 M -0.5% per year
- GDP Per Capita : \$ 1579, +40% in 2008
- 2005 GDP Growth: 8 %

South Africa



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

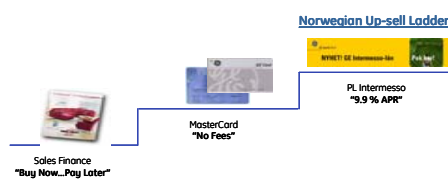
European Strategy...Imagination Breakthroughs



1. Expand Country Coverage



2. Continue Mortgage Rollout

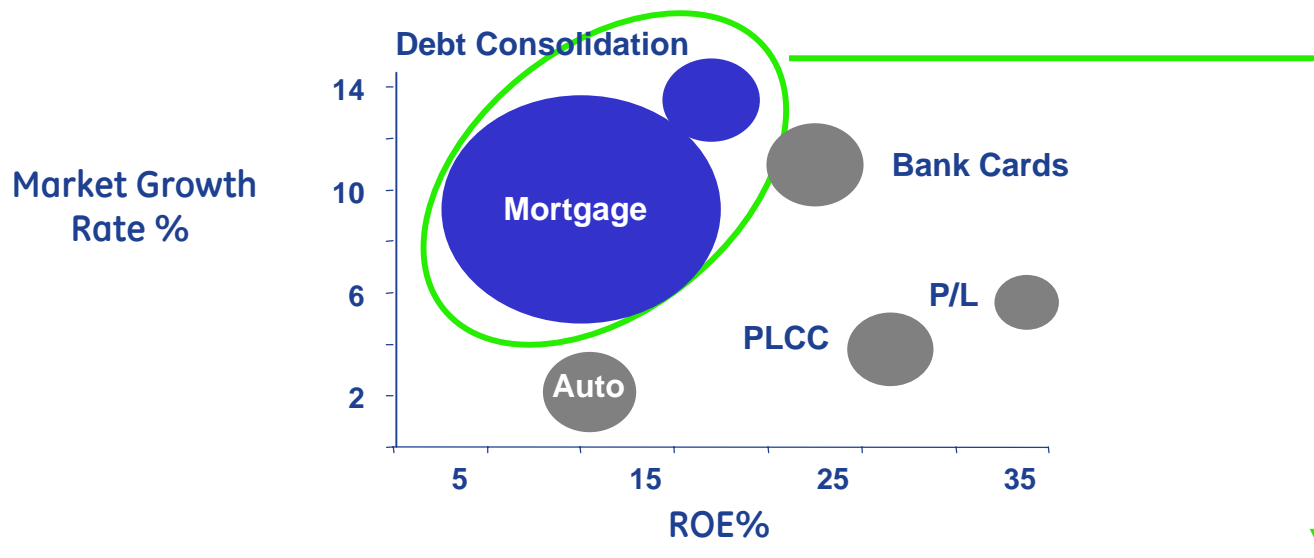


3. Drive Cross-Sell

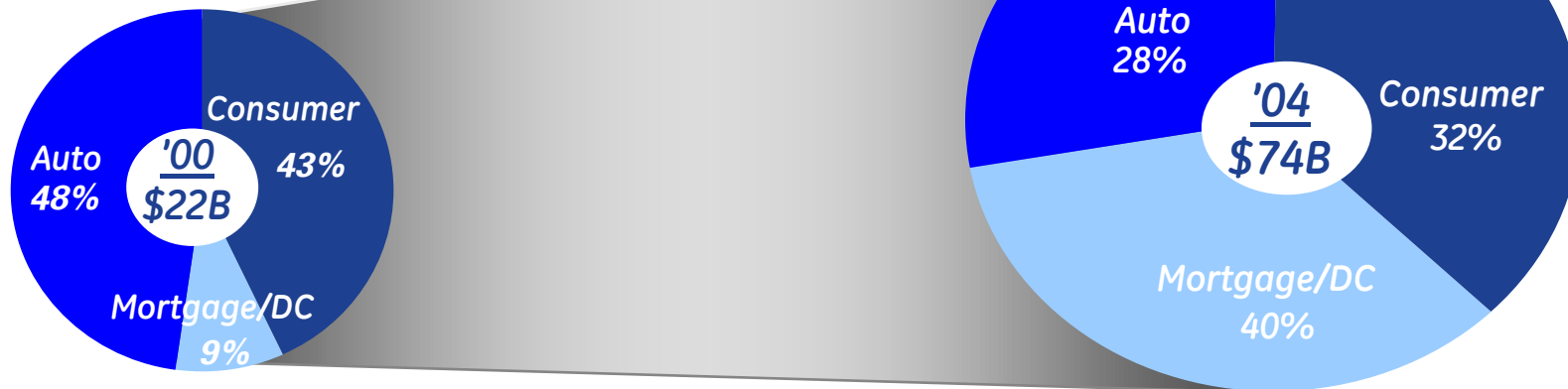


4. Expand Retail Banking

Mortgage Growth Driving Portfolio Mix



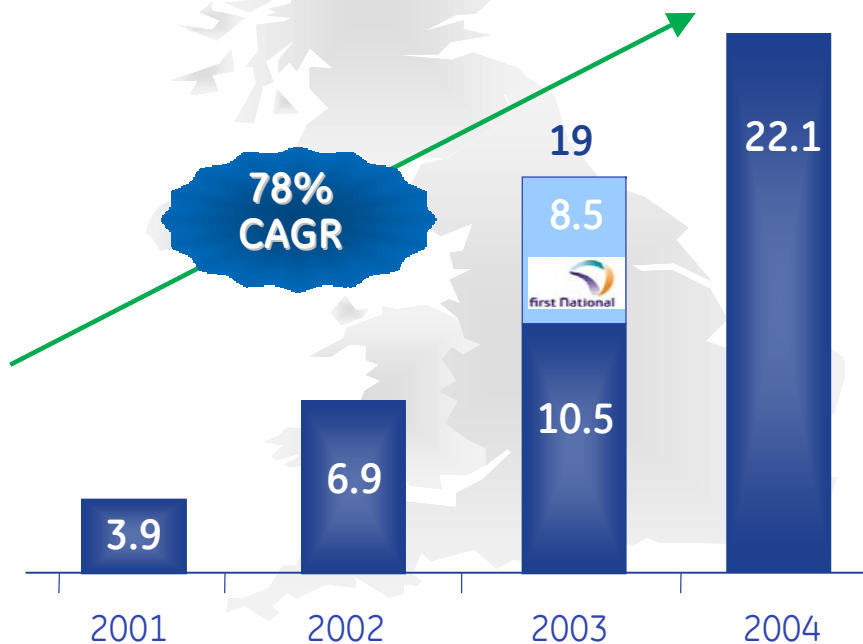
Portfolio Asset Mix



Mortgage Growth...Leading Markets

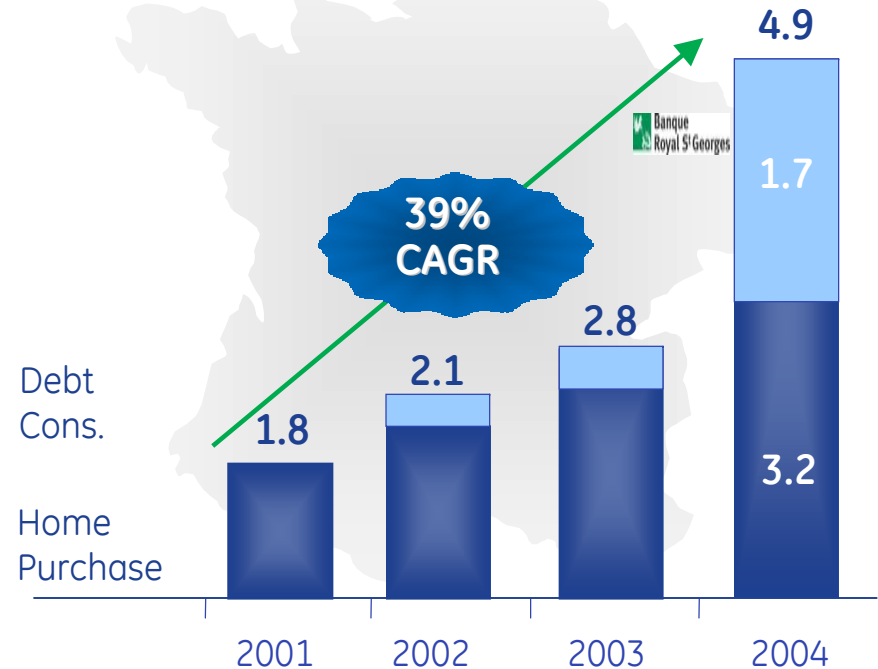
UK Secured Asset Growth (\$B)

- Innovative Products/Approval Process
- Primarily Floating Rate
- Rigorous Collections Mgmt.
- Significant Equity Cushion




















French Mortgage Asset Growth (\$B)

- \$150B Market...Similar to UK in Early 90's
- Leader in 30% AAGR Debt Cons. Market
- Acquired RSGB...DC Network, Technology Expertise
- Primarily Floating Rate

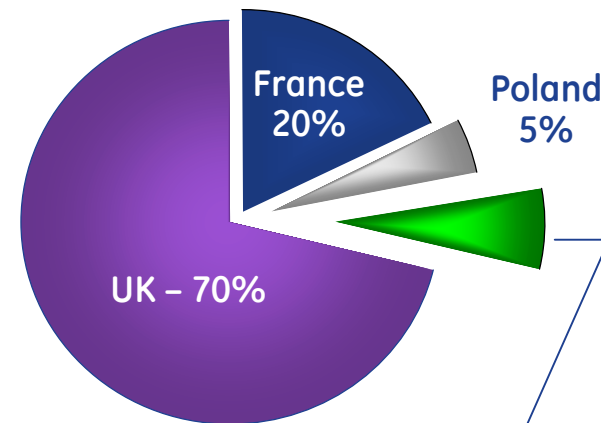


Using U.K. As Blueprint for French Expansion

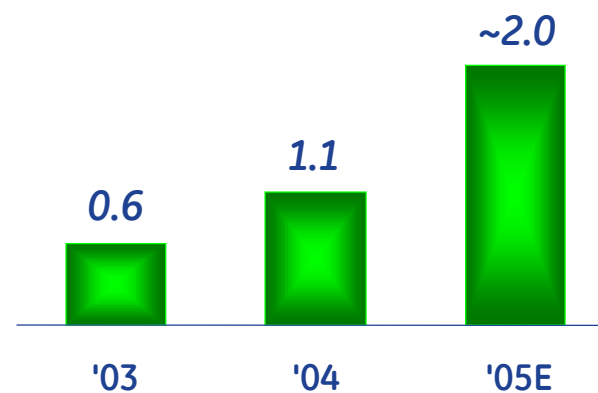
Mortgage Rollout...

	Launch			
	'02	'03	'04	'05
				
	✓			
		✓		
		✓		
			✓	
			✓	
			✓	
				✓
			✓	
		✓		
	✓			
	✓			
		✓		
				✓

'05 Asset Mix



Start-ups (\$B)



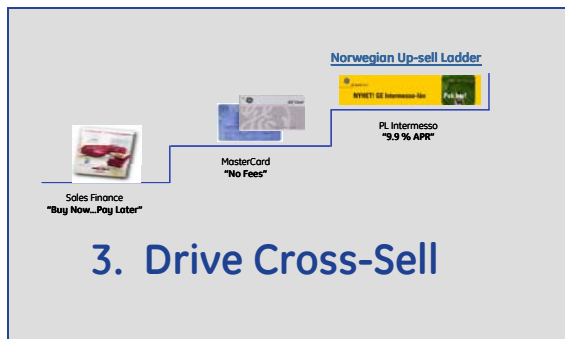
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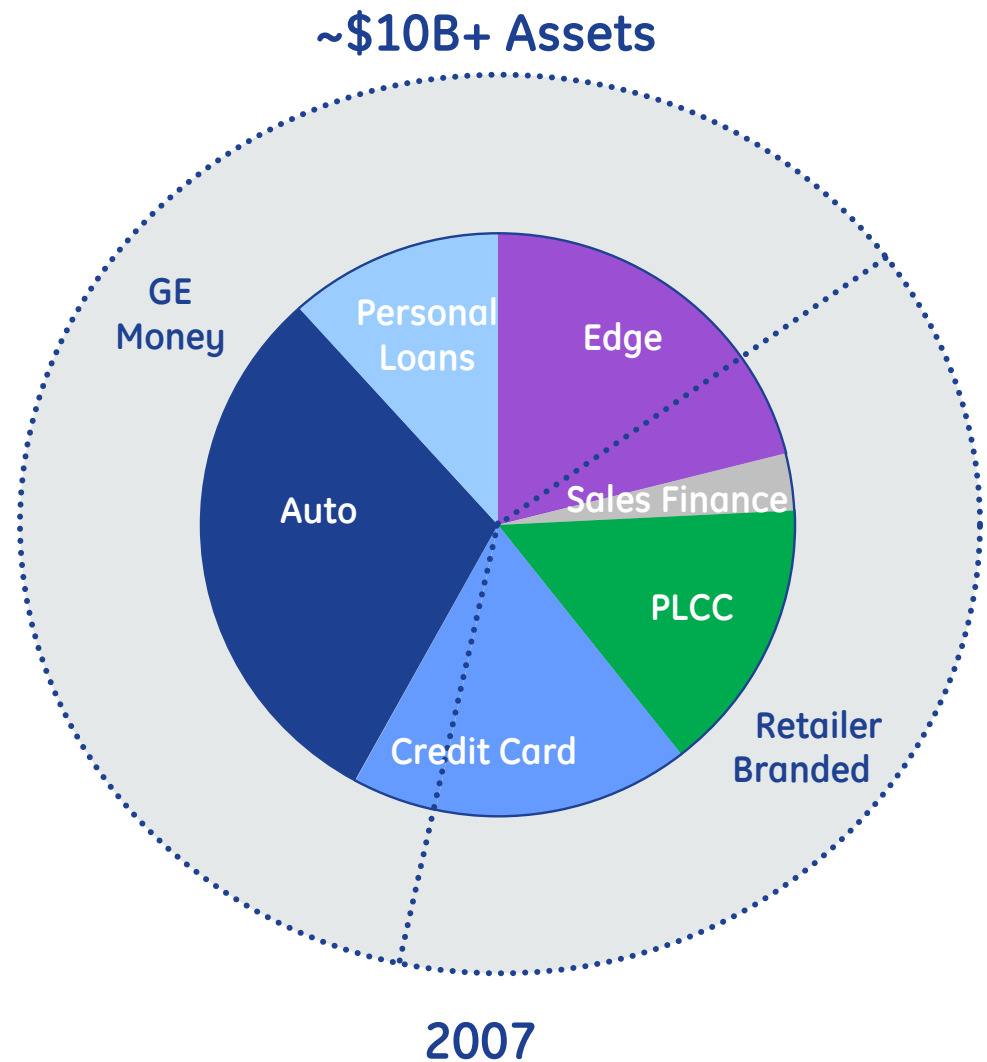
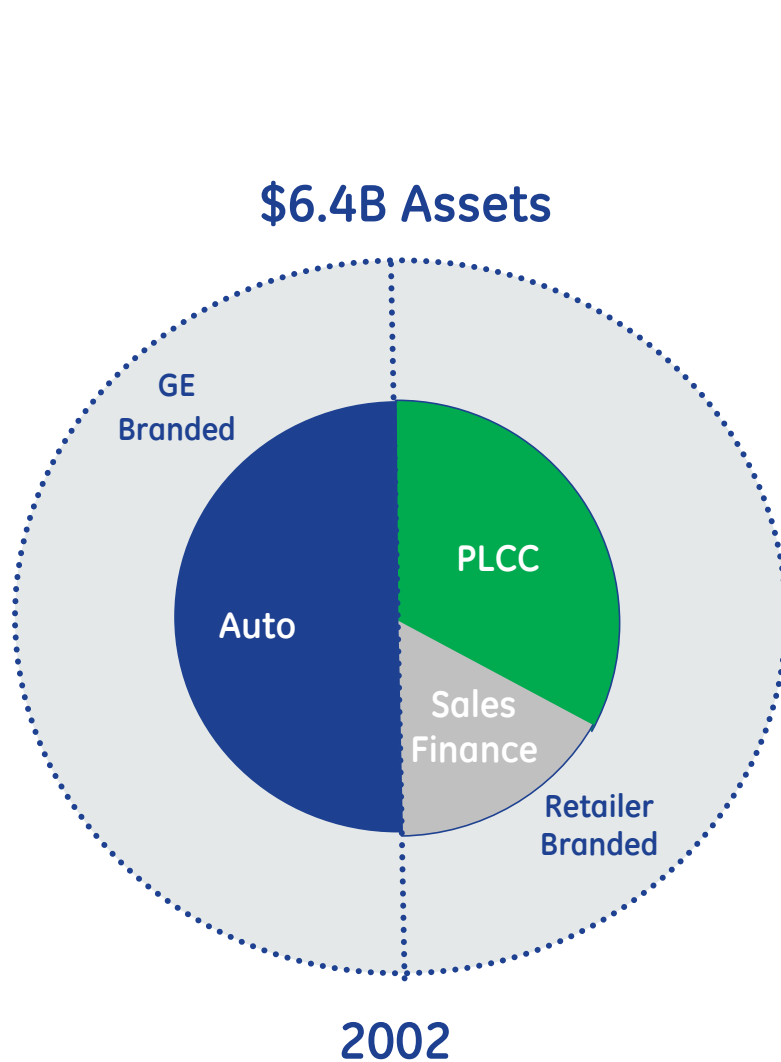


3. Drive Cross-Sell



4. Expand Retail Banking

UK Consumer Business Transformation Underway



UK Dual Card = PLCC + Retailer Branded CC

Advantages

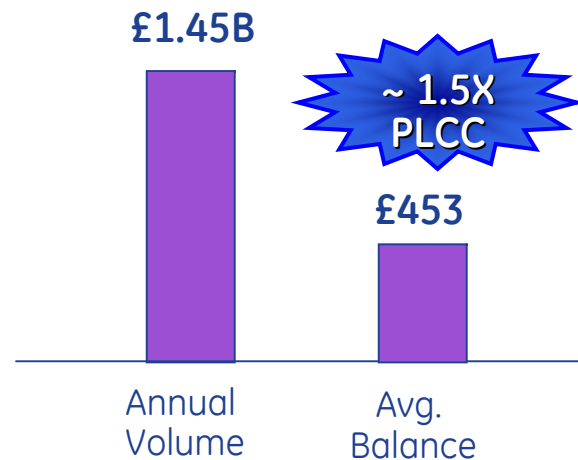
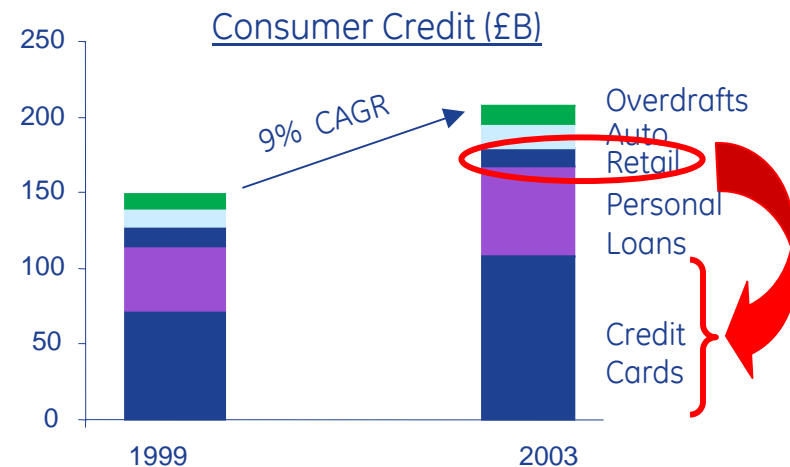
- Improved Consumer Value Proposition

- Lower Interest Rates
- Rewards For Purchases
- Cash Access

- Retail Partners

- Reduced Bankcard Fees
- Profit Sharing

Tap into Market Growth Dynamics...

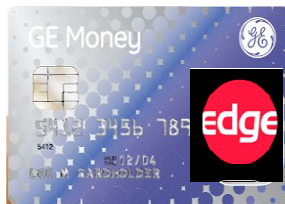


Next Generation UK Sales Finance

“EDGE” enables a network of Retailers to offer Promotional Credit and Revolving Credit at Point of Sale via a single account facility.

“One card ... one account ... thousands of uses”

Comet



GE Money Branded

B&Q



Launching 2006

Other Nationals & Regional Clients



Q405: 95% of all clients on Edge

Norway Sales Finance Up-sell



Norwegian Up-sell Ladder



PL Intermesso
"9.9 % APR"

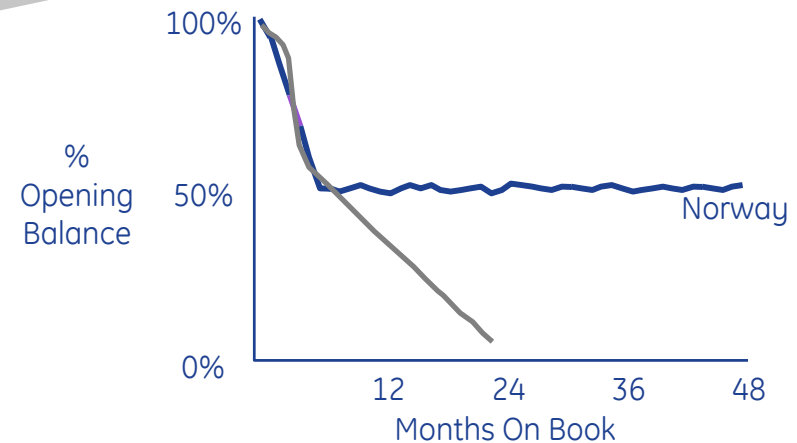


MasterCard
"No Fees"



Sales Finance
"Buy Now...Pay Later"

Resulting in Higher Retention,
Balance & Term...



Czech Automated Card Marketing...



90% of Contracts w
Opt-in Box
- 85% Consent Rate



No Product Barriers
- Ready to Use
- No Fees Until Usage
- Differentiated Pricing

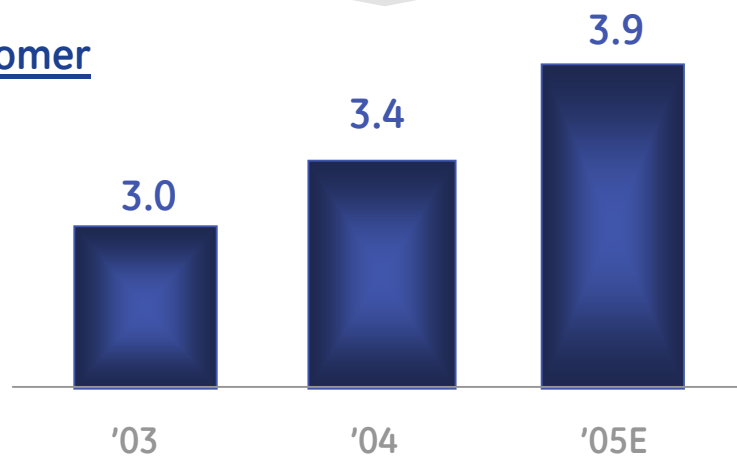


Help With 1st Step
- Mail/TLS reminders
- On-Line Activation



More Reasons To Use
- Price/Free-Trial
- Promos, Retailer
- Programs/Offeres

Products/Customer

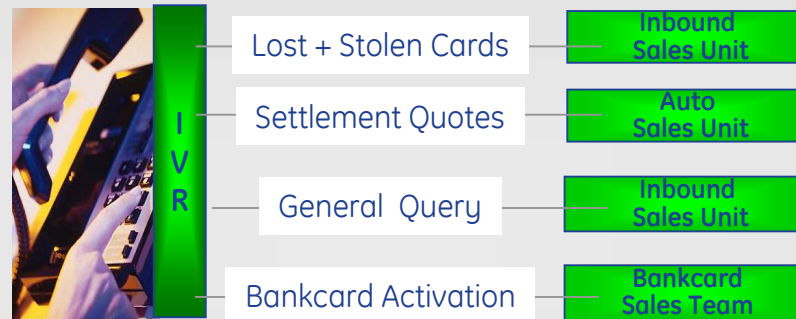


S2S...Maximize Customer Touchpoints

Segmentation

Aging - Revolving		Months Inactive				
Q2	Q3	Active	<6 months	6-9 months	10-15 months	
Months Inactive	Active	88%	54%	0%	0%	MSM Up-Stat
	<6 months	3%	41%	78%	0%	UP
	6-9 months	1%	1%	25%	50%	Project REC
	10-15 months	1%	1%	0%	50%	Project REC
	Not on Book	7%	4%	0%	0%	Project DCM
Total		100%	100%	100%	100%	

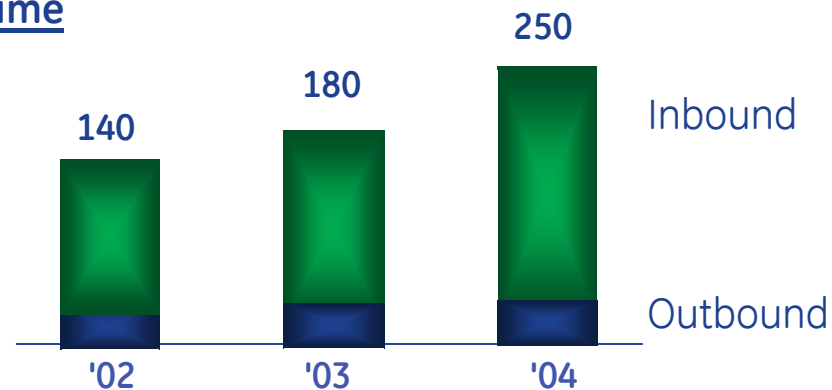
Inbound Call Management



CRM Integration



France S2S Volume
(\$MM)



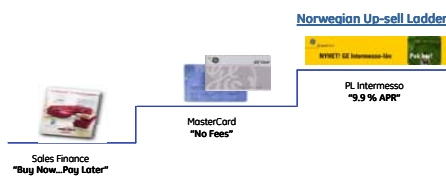
European Strategy...Imagination Breakthroughs



1. Expand Country Coverage



2. Continue Mortgage Rollout



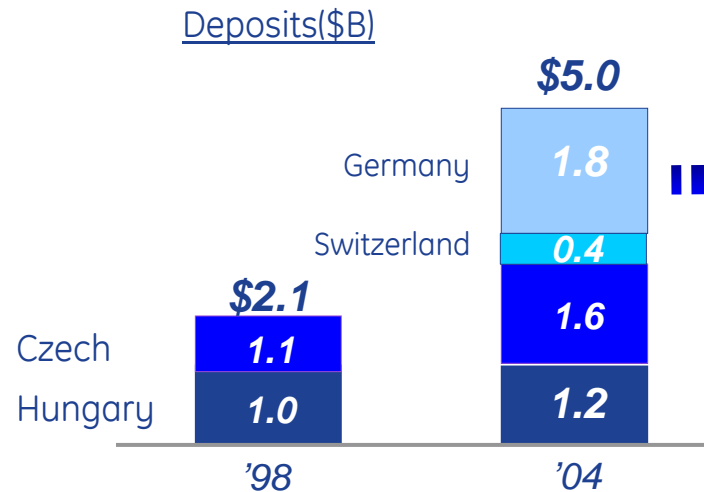
3. Drive Cross-Sell



4. Expand Retail Banking

Retail Banking

Leveraging Existing Banking Expertise...

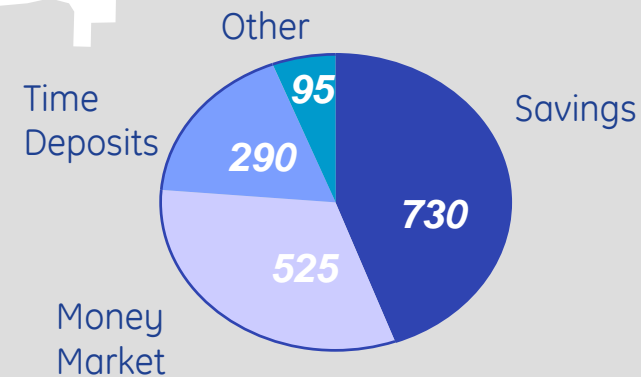


Benefits

- Access to Deposit Funding
- Platform for X-Sell
- Broad & Direct Distribution
- Customer Lifecycle Relationship

In Huge German Market...

Deposits - \$1.6T



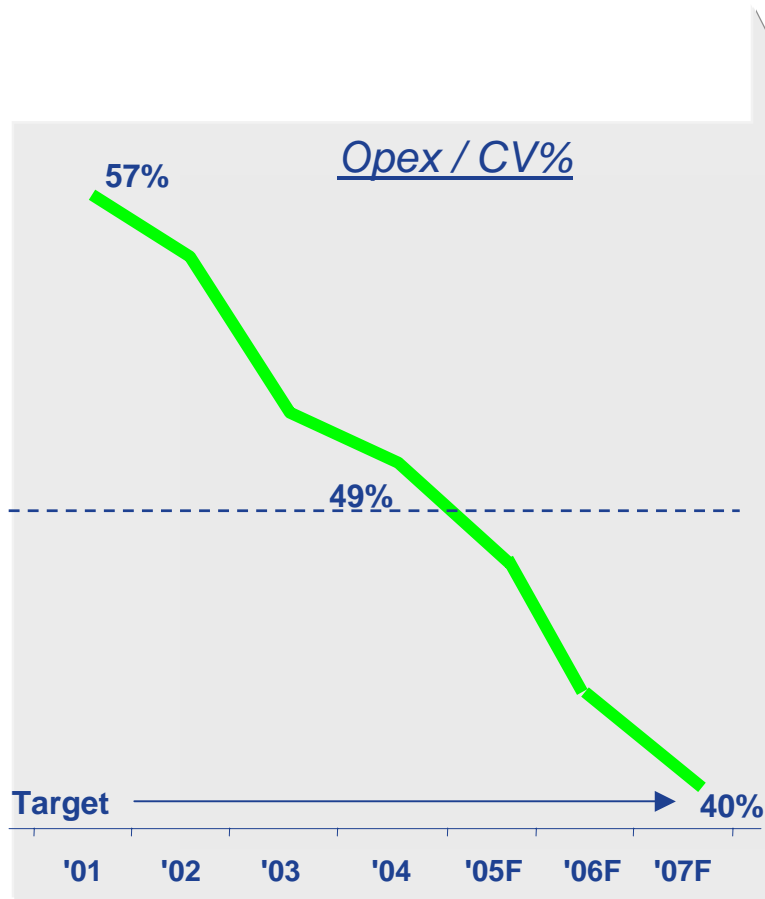
GE Money Bank Germany



- Full Service Retail Bank
- Assets: \$ 3 B
- 100 Branches
- 600, 000 + Customers
- Expanding into Wealth Mgmt.

Leverage GE Money Brand...Russia Next For Deposits

Maximizing Operating Leverage...



Acquisition Integration:



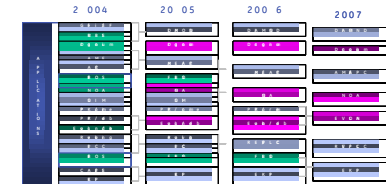
IT Standardization:



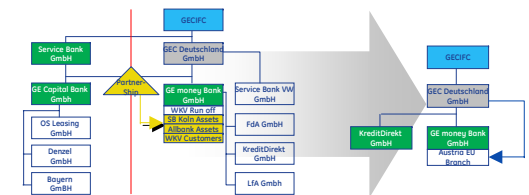
Vision +



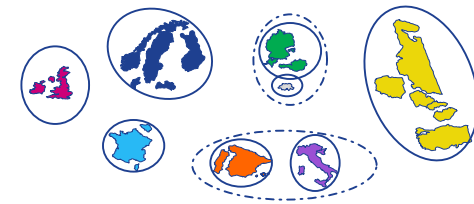
IVR



Structural Simplification:

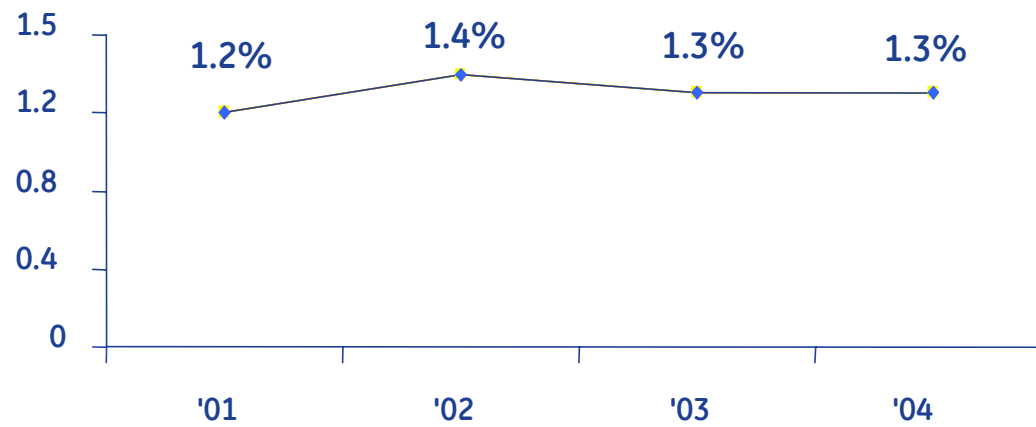


Regional Centers of Excellence:



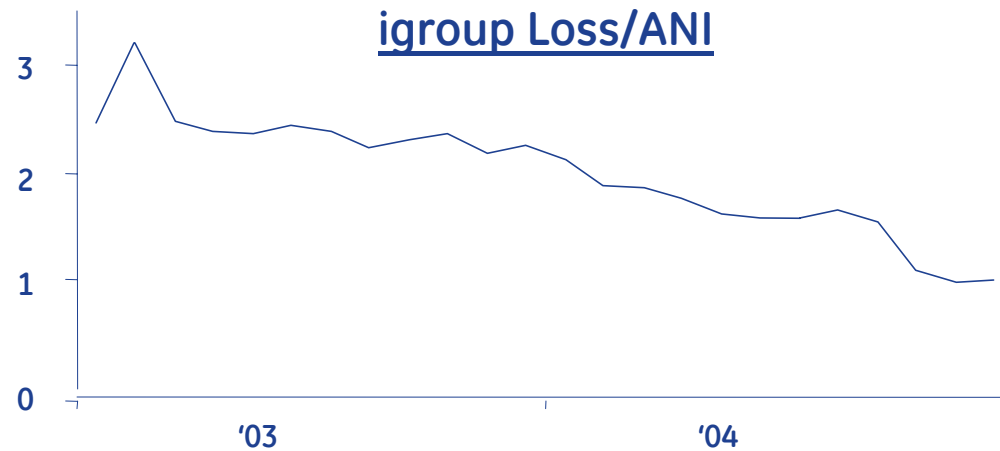
Ongoing Focus on Risk Management...

Portfolio Loss / ANI



bps

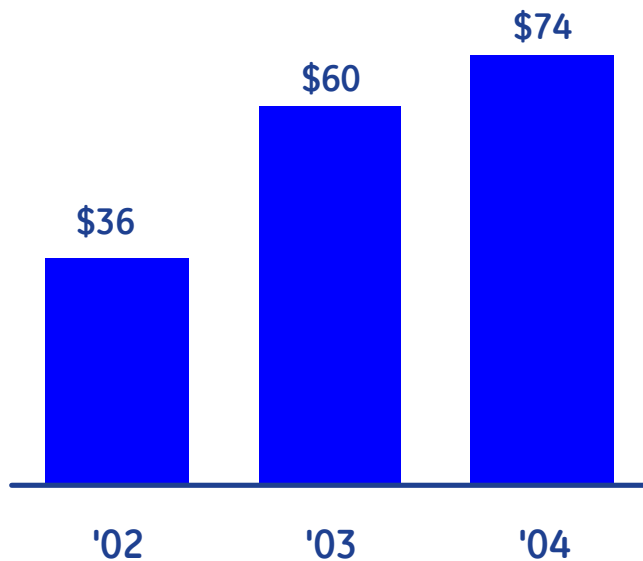
igroup Loss/ANI



Stable Portfolio Loss Performance

Financials - Europe

Assets (\$ in Billions)



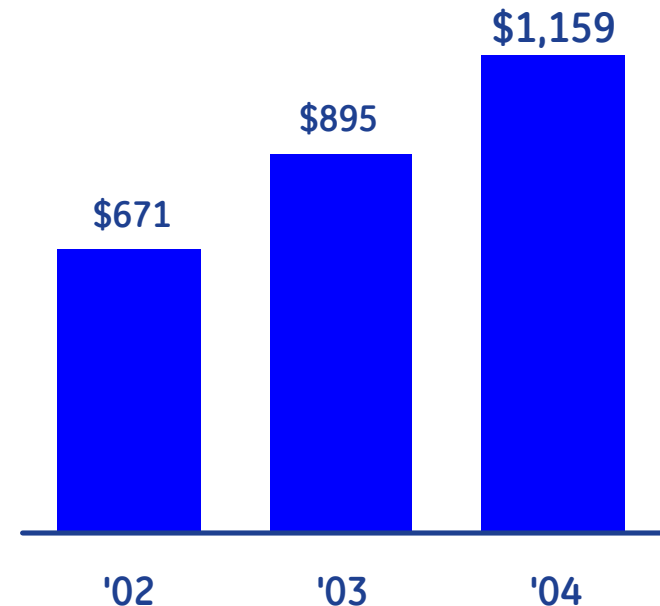
Active A/Cs
(in Millions)

16

19

21

Net Income (\$ in Millions)



Loss Rate 1.4%

1.3%

1.3%



imagination at work