



## GE Consumer Finance Driving Growth in the Americas

Mark Begor

September 29, 2006

"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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## GE Consumer Finance Overview

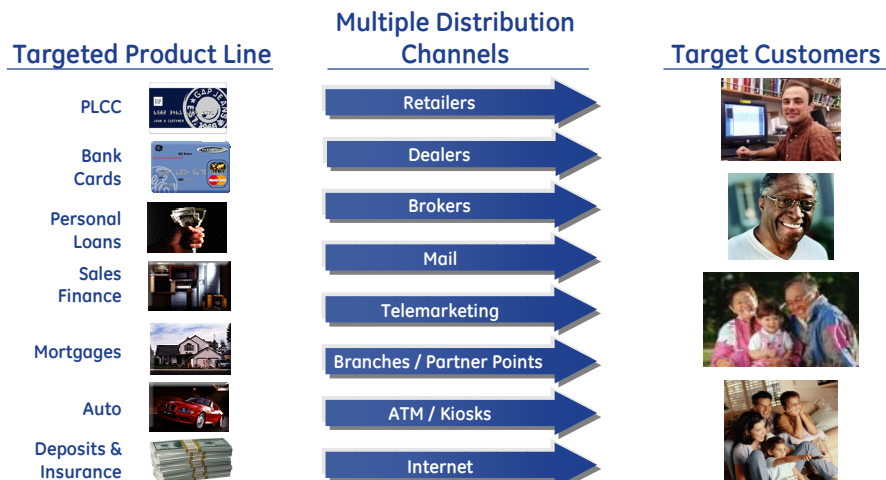


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## Our Charter

- A. Double-Digit Asset and Profit Growth with Strong ROE
- B. Develop Consumer Marketing Zealots
- C. Risk Management Vigilance
- D. Execute in a Huge Marketplace (\$40T)

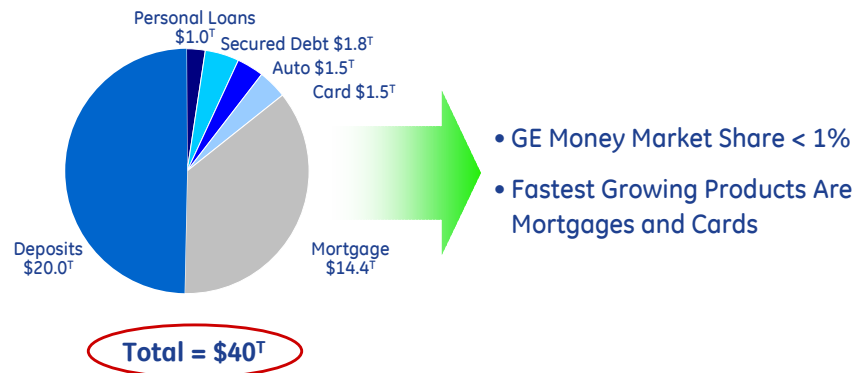
## What Do We Do?



Focused Provider of Consumer Finance Products

# Industry Landscape

## 2006 Global Portfolio (Lending & Deposits)



**We Are a Small Player in a Huge Market**



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# Our Earnings Are Uniquely Global (~75%)

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



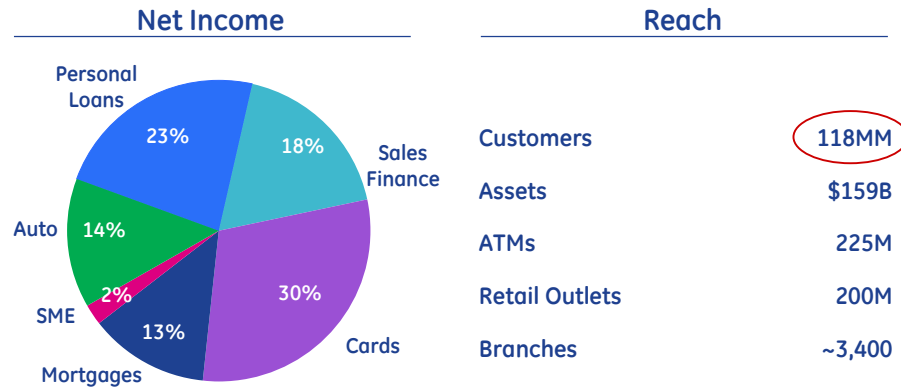
Italy  
Japan  
Korea  
Latvia  
Mexico  
New Zealand  
Nicaragua  
Norway  
Panama  
Poland  
Portugal  
Romania  
Russia  
Singapore  
Slovakia  
Slovenia  
Spain  
Sweden  
Switzerland  
Taiwan  
Thailand  
United Kingdom  
United States



**Serving Over 118MM Consumers In 53 Countries**

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## Products and Reach

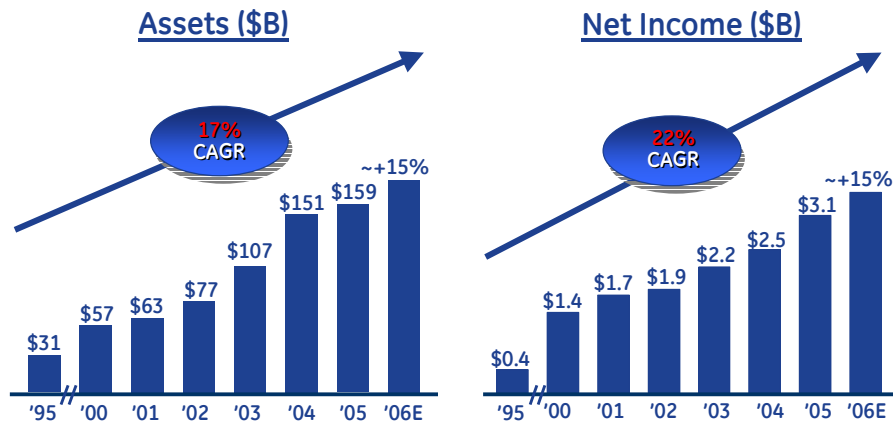


A Diversified Specialty Consumer Financial Services Company



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## GE Consumer Finance Performance

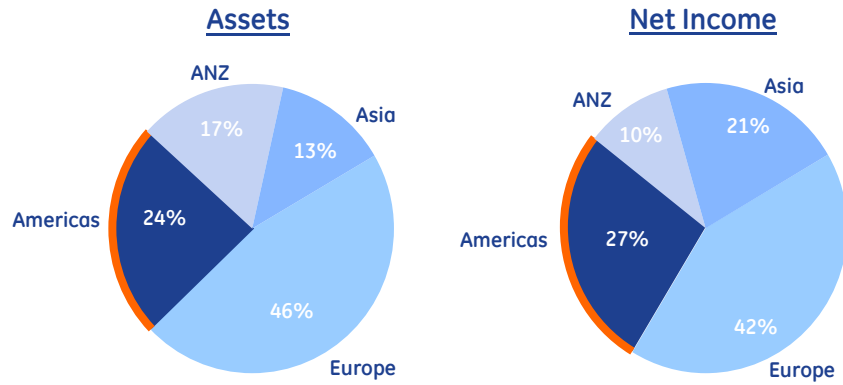


Consistent Double Digit Growth



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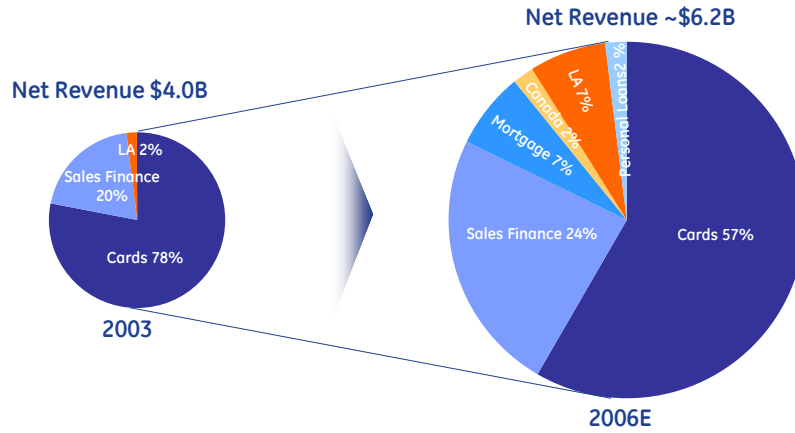
## Geographic Composition



Americas Comprises 24% of Total Assets

# GE Consumer Finance Americas

# Americas Transformation

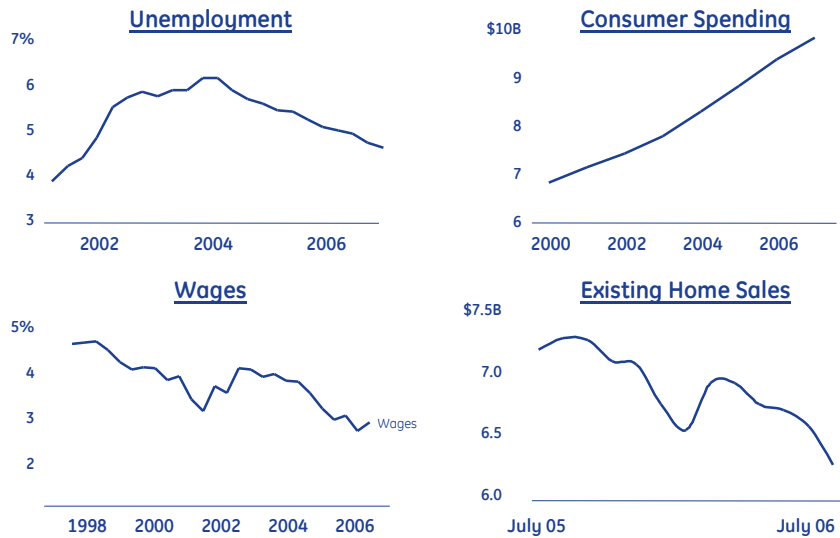


Progress Made ... Transformation Has Only Begun!



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# The US Consumer



Consumer Indicators Balanced and Spending Strong



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# Managing Through Economic Cycles

## Strong Economy

### US Consumer

- Low Un-employment
- High Disposable Income
- Strong Consumer Confidence
- Low Inflation



### Consumer Finance

- + High Spend / Active
- + Low Losses
- Higher Turn, Lower Average Balance
- Lower Late Fees & Finance Charges

## Weak Economy

### US Consumer

- Rising Un-employment
- Softening Housing Market
- Inflation



### Consumer Finance

- + Slower Payment Speeds
- + Higher Average Balance
- + Higher Late Fees & Finance Charges
- Higher Losses



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Business Operates Through Cycles

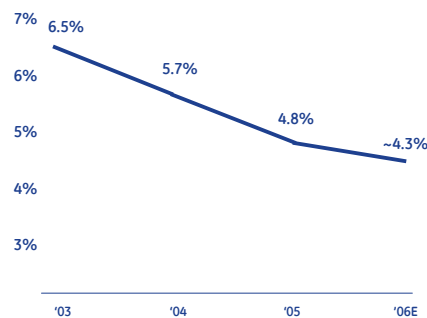
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# Delinquencies & Losses

Delinquencies at ~4.6% ...  
Down 130bps From '03



Losses at ~4.3% ...  
Down 220bps From '03



Delinquencies & Losses Performing Well

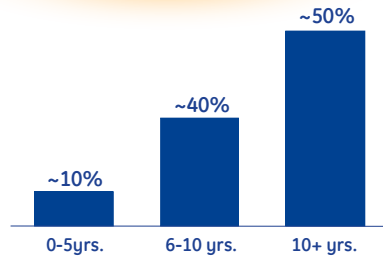


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## Strong Risk Team - Deep Industry and GE Experience

800 Risk Professionals  
~400 with >10 Yrs. Experience



- Seasoned Risk Professionals with deep industry knowledge and experience
- Disciplined Policies & Monitoring
  - Rigorous Credit Line Management
  - Strict Re-Aging Policies
  - Monthly Policy 6.0
  - Monthly Board Meeting
  - Quarterly CEC

Strong Team With Broad Industry Knowledge & Deep Domain Experience

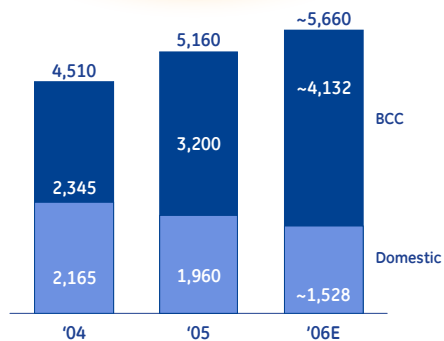


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## Best in Class Collections Team

~5,660 FTE's  
~73% in BCC



- ~5,660 Collectors Across the Americas
- Significant Industry Knowledge & Experience
- World Class Collections tools and strategies
- Ability to Respond Quickly to Changing Consumer Environment

Deep Team With Proven Experience in Different Economic Cycles



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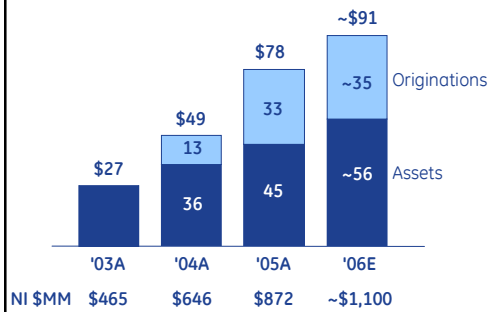
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## Americas Overview



### Assets / Originations (\$B)



### Reach

Customers	56 Million
Retail Outlets	40,000
Dealers	130,000
Brokers	14,000
Branches	420
ATM's	2,600

**Fast Growing, Focused Consumer Finance Company**

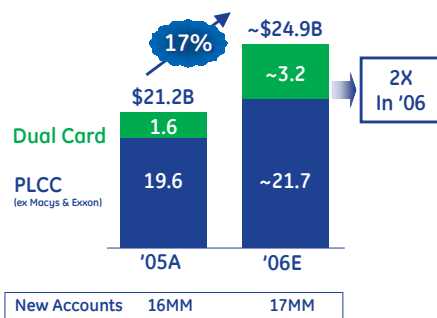


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## Cards



### Assets



### Growth Strategy

- 1 Expand Retail Distribution
- 2 Accelerate Bank Card Transformation
- 3 Innovate by Adding New Retail Products: Personal Loan, Debt Can
- 4 Drive Cross-sell

**Bank Card and X-sell Driving Growth**



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## New Product Partnerships

### RCF

### RSF

### Dual Card

### BCS

### CPS

### Personal Loan

### Canada

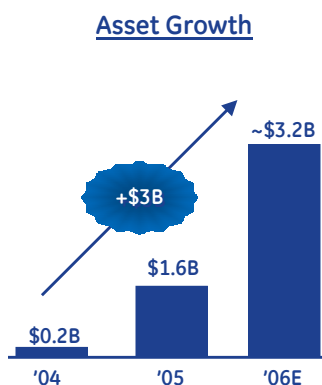
### Latin America



45+ New Partnerships Added

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## Dual Card Roll-Out



	Launch Date	'06 Cards
	(Oct '03)	80,000
	(Oct '04)	200,000
	(Oct '04)	650,000
	(Feb '05)	390,000
	(Mar '05)	1,300,000
	(Apr '06)	180,000
	(Jun '06)	150,000
	(Oct '06)	30,000

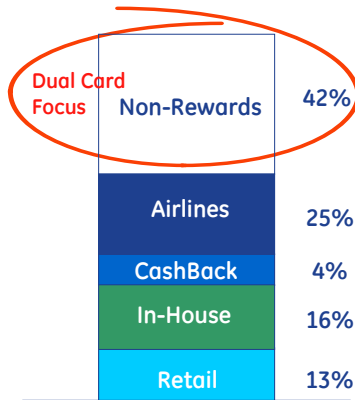


Targeting ~3MM Dual Cards by '06

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# Card Rewards

## U.S. Bank Card Assets \$725B



Source: Nilson Report

## Reward Plan



4 pt in-store; 1 pt out of store



2 pt in-store; 1 pt out of store



Up to 1% Cashback; Gas Discount



Up to 1% for Base Member; Up to 2% for Plus Member



2 pt in-store; 1 pt out of store

Dual Card to Offer Reward Program to "Non-Rewards" Card Holders

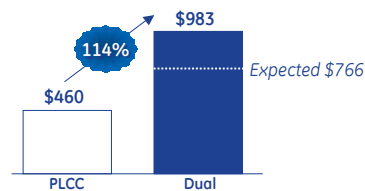


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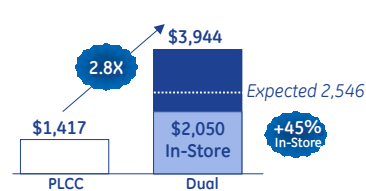
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# US Dual Card vs. PLCC

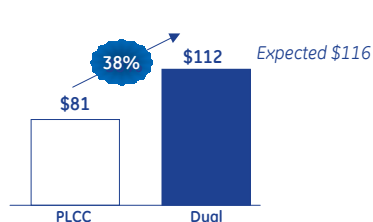
## Average Balance



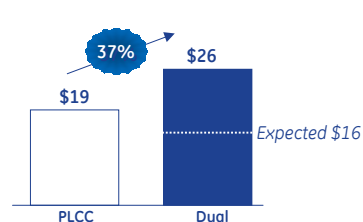
## Sales / Active



## CV / Active



## Net Income / Active \*



\* Excluding Reserves



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Dual Card Portfolio Maturing ... Exceeding Expectations

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## New Product Features

### QuickScreen™



- "Blind" Pre-screen at Retailer POS
- Requires Availability of Name/address

**3X Take Rate !**

### Contactless Devices (RFID)



- Cardholder "Waves" Card by Reader
- Authorization Through Radio Signal

**2X Speed !**

### Driver's License Test



- Scan Drivers License into Kiosk
- Cross-Sell Built In for Speed Pass

**60% Lift in Approval Rate**

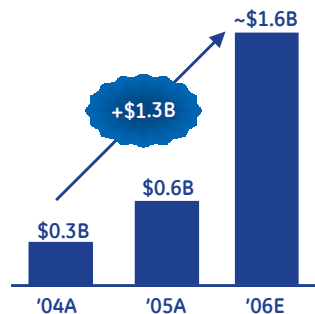
Making it Easy to Offer ... And Easy to Apply



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## Personal Loans

### Assets (\$MM)



### Growth Strategy

1

#### Expand Retail Partnerships



Personal  
Payment  
Plan



2

#### Continue D2C Growth



GE Money

#### Convenient and Flexible

It's the Line of Credit from GE Money — a personal line of credit with the convenience and flexibility you need to do it all!

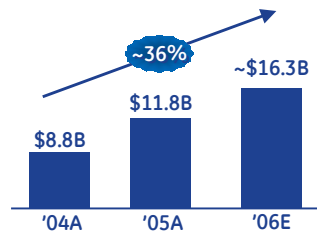
Strong Core Growth . . . Targeting ~\$3B Assets by '07



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# Retail Sales Finance

## Assets



## Growth Strategy

- 1 Expand Distribution
- 2 Drive Usage and Penetration
- 3 Expand into New Markets
- 4 Leverage Technology and Infrastructure to Drive Productivity
- 5 Transform From Single to Multi-product Model

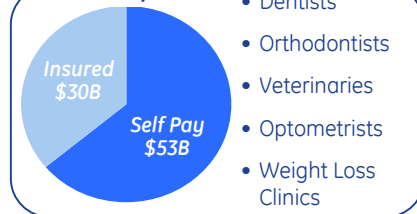
New Markets and Increased Share Driving Growth



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# CareCredit

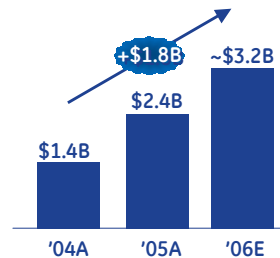
\$83B Space



- Dentists
- Orthodontists
- Veterinaries
- Optometrists
- Weight Loss Clinics

- Patient Financing of Self Pay Treatment
- Healthy Industry Profit Margins
- Scaleable Cost Base
- Still Relatively Low Penetration
- Established Relationships with Large Base of Providers

## Volume



## Penetration

	2005	2008
Providers	25%	40%
Penetration	8%	20%
Market Share	2%	8%

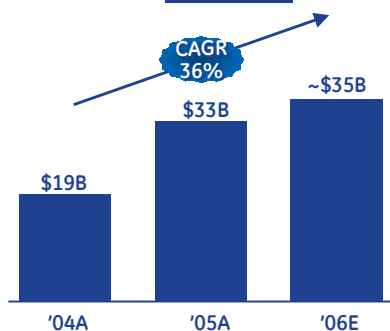
Strong Growth in Healthcare Segments



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### Production



### Growth Strategy

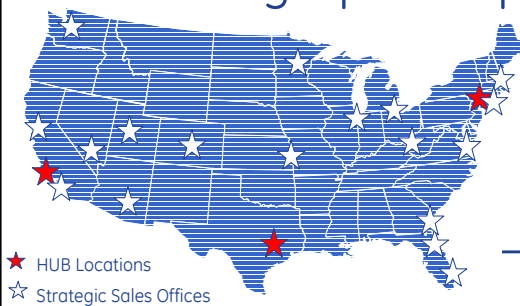
- 1 Continue to Leverage Capital Markets to Grow and Mitigate Risk
- 2 Add New Products ... 40-Year, HELOC
- 3 Expand Technology
- 4 Continue Geographic Expansion ... 3 Hubs, 16 Sales Offices



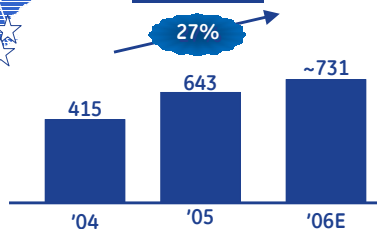
US Geographic Expansion Driving Growth

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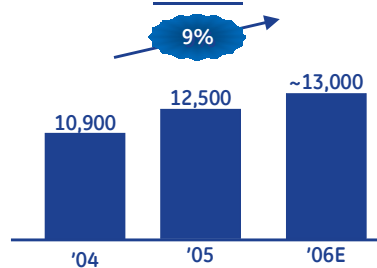
## WMC Geographic Expansion



### Sales Force



### Brokers



### Game Plan

- 3 Hubs Supporting 16+ Sales Offices
- Drive Cost/Process Efficiencies
- Explore Additional Funding Sources
- Attract Top Talent



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# Using Technology To Drive Growth

## Targeting & Reporting

- Market Analytics @ BDR Level
- Market Penetration
- Sales Planning



## Automated Marketing

- Customer Segmentation
- Lifecycle Marketing
- Customized BDR Communication

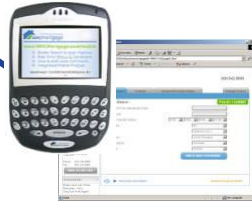
## Broker Management

- High Potential Prospects
- Risk Mitigation



## Web Tools & Enhancement

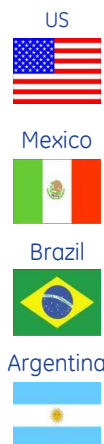
- Mobile Technology
- Mortgage Expert - Prequal
- WMC Direct Enhancement
- POS Approvals



*Investments in Technology to Drive Speed and Efficiency*

# Americas Regional Expansion

2003



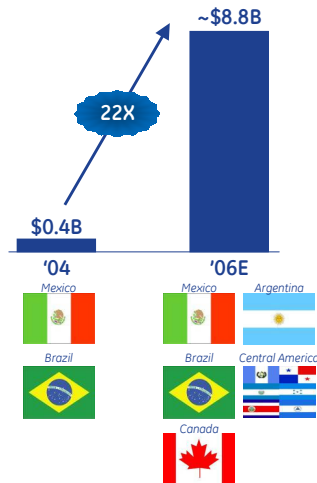
2005



4 Countries to 11

# Latin America and Canada

## Assets \$B



## Strategy

- **Mexico:** Continue to drive new products and enter new market segments
- **Brazil:** Grow Payroll product, continue to improve Risk Management & Collections
- **Argentina:** Improve Product Channels, Maintain Solid Risk Management
- **Central America:** Drive Growth, Grow GE Culture
- **Canada:** Build Out New Products ... HELOC, Prime Mortgage, Dual Card



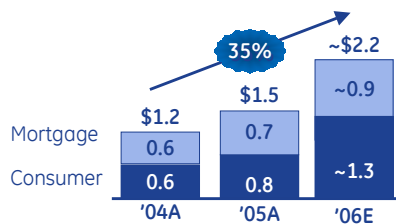
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Diversifying Into Canada, Latin & Central America

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# Mexico

## Asset Growth



## Growth Strategy

- 1 **Cards ...** Adding Retailers And Co-Brand
- 2 **Mortgage ...** Growth And Builder Strategy
- 3 **Auto ...** Increase Distribution



Strong Double Digit Growth in Fast Growing Market



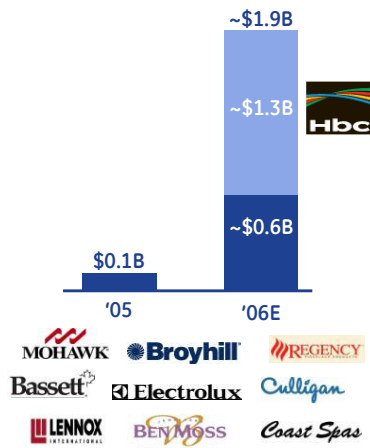
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# Canada

## Assets (\$B)



## Growth

- **HBC** ... Addition of Leading Retailer in Canada
- **Mortgage** ... Accelerate Rollout through Partner Build
- **Powersports** ... Infrastructure in Place to Support OEM Growth
- **MasterCard** ... Expand Distribution, Four Launches Underway

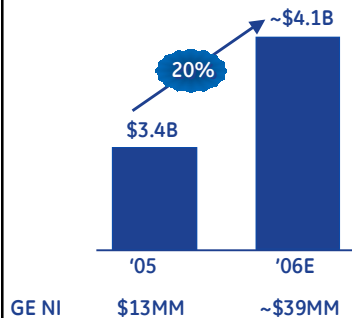
Building Scale Position in Canada



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# Central America Expansion ...

## JV Assets



## Branch Network

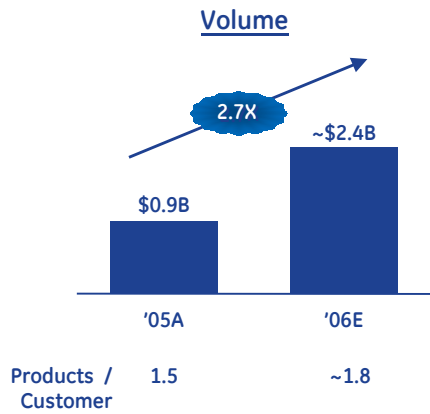


Strategic Expansion into Central America

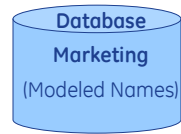


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# Cross-sell



## Cross-sell Process Flow



### Trigger Events

- ✓ Risk Change
- ✓ Utilization
- ✓ Usage Behavior
- ✓ Late Pay

Customers Flagged

## Warm Lead Channels



Collections



Internet



Customer Svc



Declines



Statements/DM



"At Risk"  
Homeowner Calls



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Cross-sell Driving Asset And Income Growth

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# Using Lean to Drive Growth

Mar '06



Mexico Mortgage

### "Time to Yes & Time to Fund"

Faster Approval & Funding ... Higher Pull Thru Rate & Increased Mkt. Share

Cycle Time:  
75 Days to 48 Days

~\$170MM  
Volume

Jul '06



Money Services (PMG)

### "New Deals"

Faster Deal Process... Write Volume Faster & Additional Capacity for Further Deals

Cycle Time:  
270 Days to 90 Days

~\$15MM  
Revenue

Jul '06



Personal Finance

### "Small Deal Process"

Faster Deal Process... Write Volume Faster & More Efficient Use of Our Resources

Cycle Time:  
400 Days to 80 Days

~\$240MM  
Revenue

Sep '06



Workstation

### "Enhance New Functionality"

Faster Deployment of New Capability & On-Boarding of New Clients

Cycle Time:  
321 Days to 168 Days

~\$6MM  
Income

Oct '06



CPS

### "New Client On-Boarding"

Faster Approval Process ... Write Volume Faster & Additional Capacity for Further Deals

Cycle Time:  
188 Days to 86 Days

~\$200MM  
Revenue



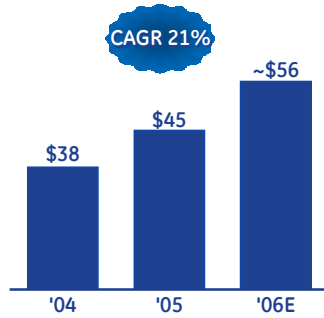
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~\$650MM+ Volume Opportunity

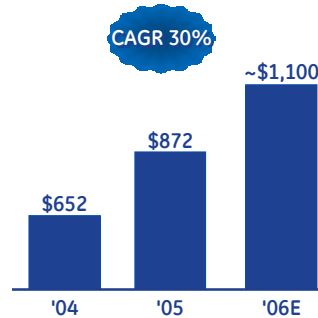
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## Americas Financials

Served Assets (\$B)



Net Income (\$MM)



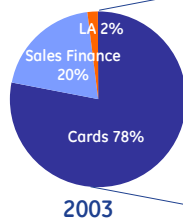
Consistent Double-Digit Growth



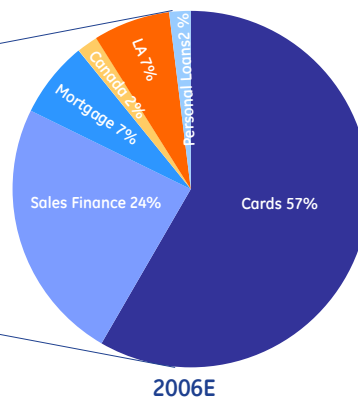
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## Americas Transformation

Net Revenue \$4.0B



Net Revenue ~\$6.2B



Progress Made ... Transformation Has Only Begun!



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