

GE Capital

Bernstein Strategic Decisions Conference

Keith Sherin
May 27, 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 and the specifics of any 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.

GE Capital exit plan

As announced on April 10th...

Executing plan to create a focused infrastructure & technology company

- + 90%+ of earnings from high-return Industrial businesses by 2018
- + 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

Initial activity re-affirms excellent environment to execute plan ... 450+ inquiries

- + Moving fast, ~75% of '15 target to be signed by end of 2Q

Positive for capital markets

- + GE guarantee of GE Capital debt^{-b)} ... spreads/CDS tighter since April 9th close
- + Will work with regulators on SIFI de-designation

2015 underlying business performance in line with framework; expect buyback to offset impact of lower GE Capital earnings by 2018



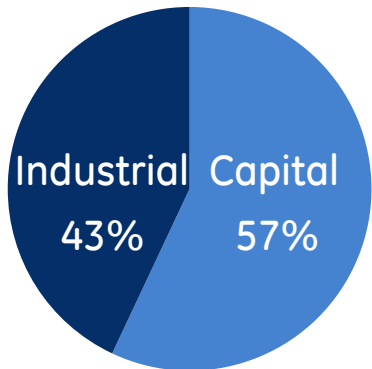
(a- Subject to regulatory approval

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

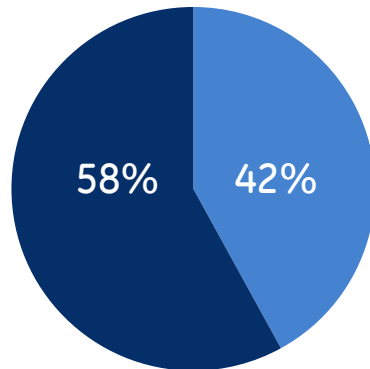
Executing the “pivot”

(% of operating earnings)

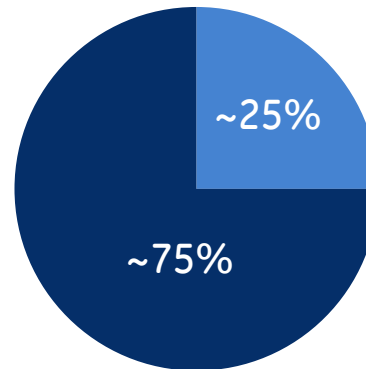
2007



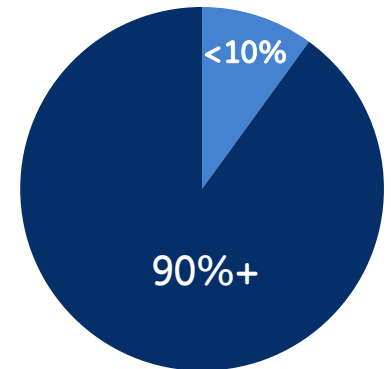
2014



Prior plan



This plan



**Built on the
GE Store**

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

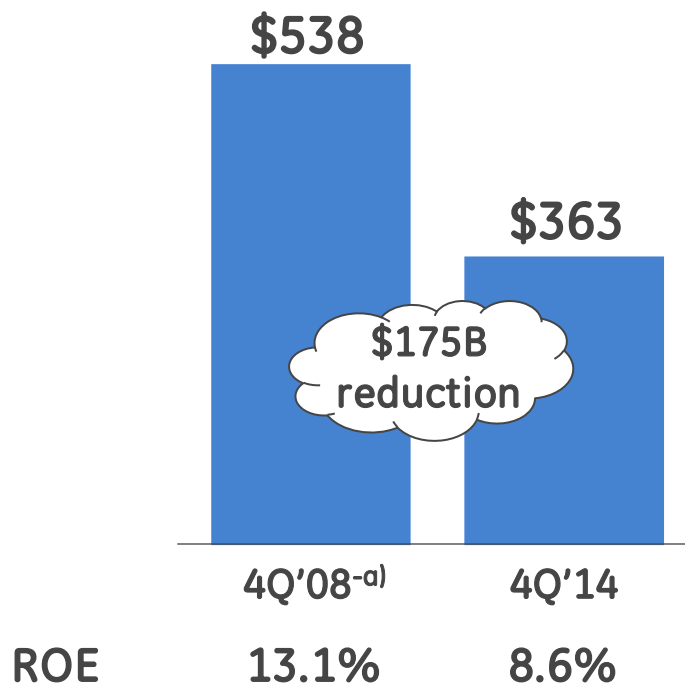
Verticals aligned to drive growth



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

	<u>4Q'08</u>	<u>4Q'14</u>
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)

Synchrony update

Business performing well

- ✓ Winning new deals   
- ✓ Making strategic investments and forming new partnerships to expand capabilities
 
- ✓ Strong core growth ... 1Q'15 purchase volume +10%, receivables +7%
- ✓ Delivering on funding plan, deposits +7.6B compared to prior year



Separation on track



Synchrony IPO
July 2014



Separation preparation
On-going



Fed Infrastructure review
In process



Separation
Targeting year-end

Financial impact

Expected proceeds	~\$20B
Expected gain	~\$2-3B

Why now ...

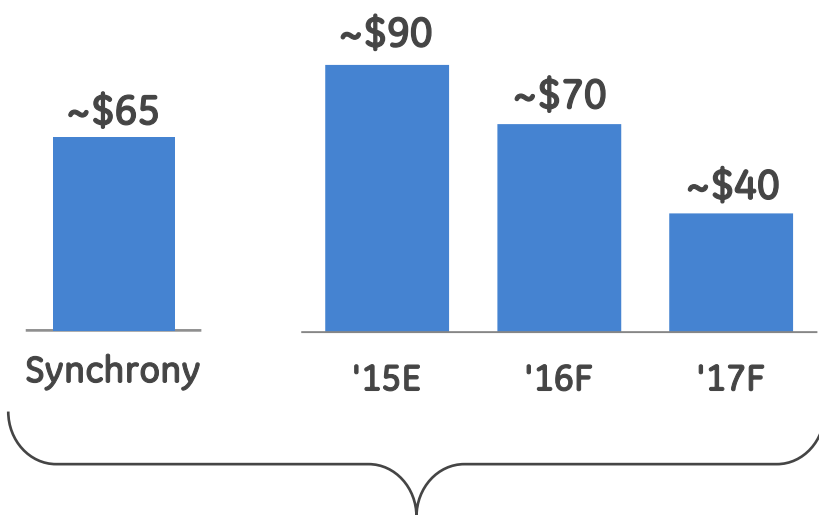
- 1 Business model for large, wholesale-funded Finco has changed dramatically; more difficult to generate acceptable returns
- 2 Synchrony and other dispositions are proof points that GE Capital platforms are more valuable elsewhere
- 3 Strong seller's market for financial assets, with good GE track 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 execution

(4Q'14 ENI ex-liquidity, \$ in billions)

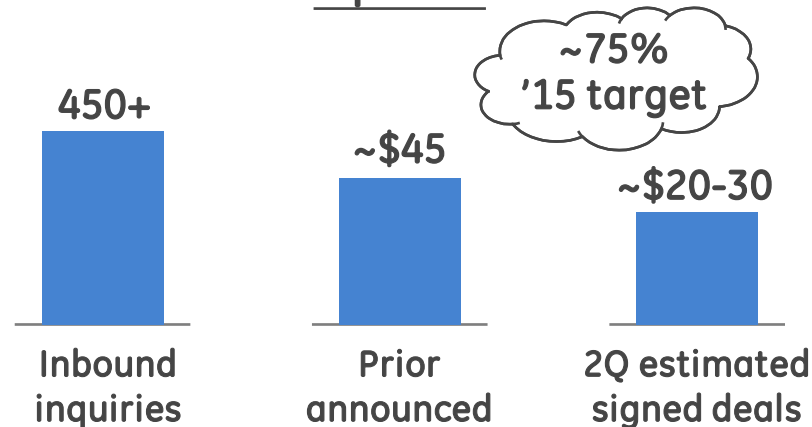
What we said



Capital to be released

Synchrony	~\$20
GE Capital exits	~\$35

Update



Goals

- 1 ~\$90B asset sales in '15
- 2 All sales committed by '17
- 3 ~\$35B dividend to GE
- 4 Timing of dividends
- 5 SIFI de-designation application

Latest view

~\$100B

Largely done by '16

On track

On track

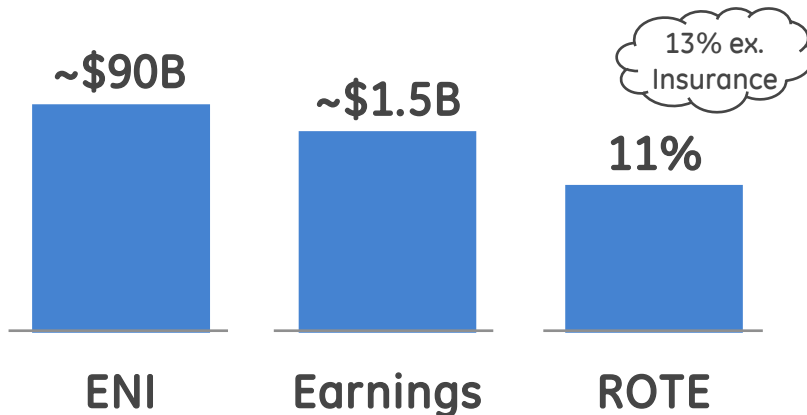
'16, on track

Strong buyer interest ... team executing



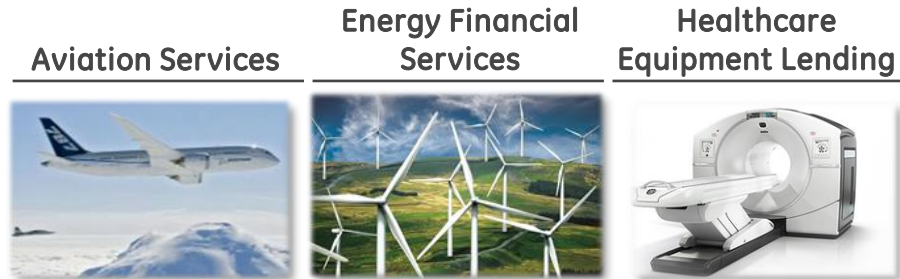
Advantage of Capital verticals

Attractive financial profile^{-a)}



- ✓ Aviation, energy & healthcare focus
- ✓ High quality earnings
- ✓ Returns > cost of equity
- ✓ Strong operational & risk mgmt. skills

GE & Verticals synergies



- + Deep knowledge of assets supports customer-centric financing
- + Long-term investment horizon with global project finance experience
- + Flexible financing products that help our customers grow ... **capex to opex**
- + Strong penetration ... ~85% of GECAS aircraft powered by GE/partner engines; ~50% in EFS/Healthcare



Potential cash to investors

\$90B+

Dividends
~\$35

Benefit plan dilution

**GE Capital
exits**
~\$35^{-a)}

Synchrony^{-a)}
~\$20

2015E-2018F

Buyback &
share
exchange

- 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

Summary – catalysts for investors

- ✓ Execute on asset sales ... drive speed & value
- ✓ Complete Synchrony split-off ... \$18B - \$20B buyback
- ✓ Return \$35B capital to GE
- ✓ Apply for SIFI de-designation ... 2016
- ✓ Focus on GE verticals ... help GE win in key industries

Transforming GE into pure play industrial



