

GE Capital, Corporate Finance

Tom Quindlen

Vertical Research Partners Industrial Conference
September 9, 2013

Caution Concerning 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,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: current economic and financial conditions, including volatility in interest and exchange rates, equity prices and the value of financial assets; potential market disruptions or other impacts arising in the United States or Europe from developments in sovereign debt situations; the impact of conditions in the financial and credit markets on the availability and cost of our funding and on our ability to reduce our asset levels as planned; the impact of conditions in the housing market and unemployment rates on the level of commercial and consumer credit defaults; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (GE Money Japan); pending and future mortgage securitization claims and litigation 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; our ability to pay dividends to GE at the planned level; the level of demand and financial performance of the major industries GE serves, including, without limitation, air transportation, energy generation, real estate and healthcare; the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation; our success in completing announced transactions and integrating acquired businesses; the impact of potential information technology or data security breaches; and numerous other matters of national, regional and global scale, including those of a political, economic, business and competitive 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.



imagination at work



Key messages

- ✓ GE Capital is a smaller, safer and more profitable franchise... expect to grow earnings in '13 on a smaller balance sheet
- ✓ We are a leading provider of financial services to the middle market
- ✓ Our direct origination sales force, domain expertise, and GE heritage provide a sustainable competitive advantage
- ✓ Capital levels and liquidity are strong and we continue to diversify our funding sources
- ✓ Regulatory landscape continues to evolve... expect GE Capital impact to be manageable

Creating value for shareholders

GE Capital portfolio

(\$ in billions)

✓ '12 assets: \$537B (\$418B ENI)^{-a)}

✓ '12 revenue: \$46B

✓ '12 profit: \$7.4B^{-b)}

Commercial Loans & Leases



Assets: \$181B
Income: \$2.4B

- Secured lender
- Leader in 6 U.S. middle markets
- ~1MM customers

Consumer



Assets: \$139B
Income: \$3.2B

- US: Store cards and sales finance
- Global banks
- Broad spread of risk

Real Estate



Assets: \$46B
Income: \$0.8B

- Originating debt at attractive returns
- Continuing to shrink equity

Aviation Services



Assets: \$49B
Income: \$1.2B

- GE domain
- Leader in industry
- Broad product set

Energy Fin'l. Service



Assets: \$19B
Income: \$0.4B

- GE domain
- Essential assets
- Alignment with GE Energy

Businesses we know... decades of performance

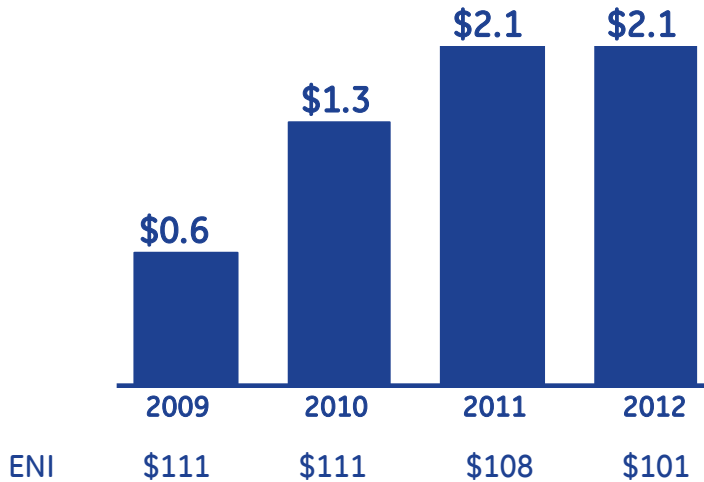


(a - As of 4Q'12, ENI excludes cash and equivalents) (b - Continuing operations attributable to company)

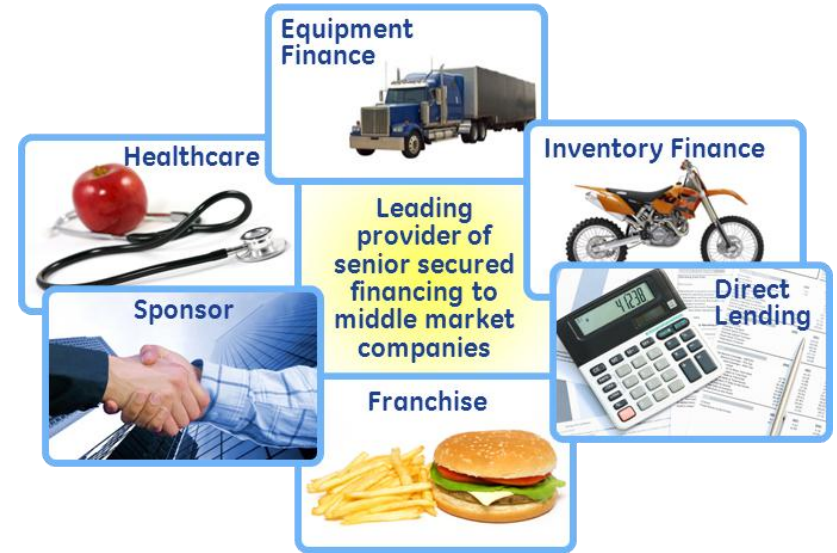
GE Capital, Americas

(\$ in billions)

Net Income



World Class Offering



- Leasing & lending against hard, foreclosable assets
- Organized by product & industry
- Over 1,450 direct originators... knowledgeable & well armed
- Broad spread of risk... over 260K customers & dealers

Disciplined
underwrite to
hold approach

Specialty finance company with deep domain from origination & underwriting through asset management & work out

GE Capital, Corporate Finance

\$14B in assets, leading mid market capital provider

Corporate Lending



Products

- Senior Secured loans \$25MM+ for growth, working capital, M&A, turnarounds

Focus

- Food & Beverage, Metals, Retail, Forestry

Clients

- ~200

Equipment Finance



- Equipment loans & leases \$500K+ to improve cash management, ↓ asset risk, ↑ flexibility

- Aerospace, Auto, Construction, Energy, Food, Marine, Technology

- ~2,700

Continue to focus on key mid market growth opportunities

Clients we serve

Manufacturers, distributors, retailers, services

\$550,000,000

Administrative Agent
Senior Secured Credit Facility



Retailer

\$500,000,000

Administrative Agent
Asset-Based Credit Facility



Chemicals

\$300,000,000

Co-Collateral Agent
Asset-Based Credit Facility



Food Distributor

\$250,000,000

Administrative Agent
Senior Secured Credit Facility



Iron Manufacturer

\$225,000,000

Co-Agent
Senior Secured Credit Facility



Security Manufacturer

\$195,000,000

Administrative Agent
Cash Flow Credit Facility



Wire Manufacturer

\$125,000,000

Administrative Agent
Senior Secured Credit Facility



Iron Foundry

\$76,800,000

Administrative Agent
Asset-Based Credit Facility



Bedding Manufacturer

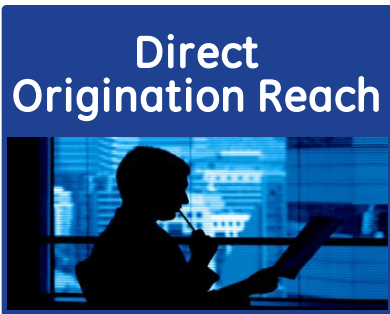
\$16,000,000

Agent
Equipment Finance



Marine Construction

Our competitive advantage



- 450 direct origination team
- Local market knowledge
- Strong customer relationships
- Leadership position in products



- Strong credit & structuring skills
- Solid, well tenured organization
- Diverse portfolio
- Dedicated specialists, early detection of distressed credits



- Broad & deep industry, collateral & product knowledge
- Speed & certainty of execution
- Creative structuring expertise



- Share GE best practices
- Enterprise selling
- Operational excellence
- Net Promoter Score... driving behavior



Experienced senior leadership team ... weathered many cycles

Helping clients build their business

Blommer Chocolate



GE Capital

**LIKE A BANK:
WE CAN LOAN YOU MONEY.**

**UNLIKE A BANK:
WE CAN ALSO LOAN YOU PAUL.**

At GE Capital, we're not just bankers, we're builders. So, in addition to smart financing, we also bring expertise from across GE. For the Blommer Chocolate company, Paul and his team from GE Capital held an intensive three-day energy audit. They identified 90 improvements to save energy, cut costs and support Blommer's long-term sustainability program. Chances are we have someone like Paul with the know-how to help your business grow. Stop just banking. And start building. GE works.

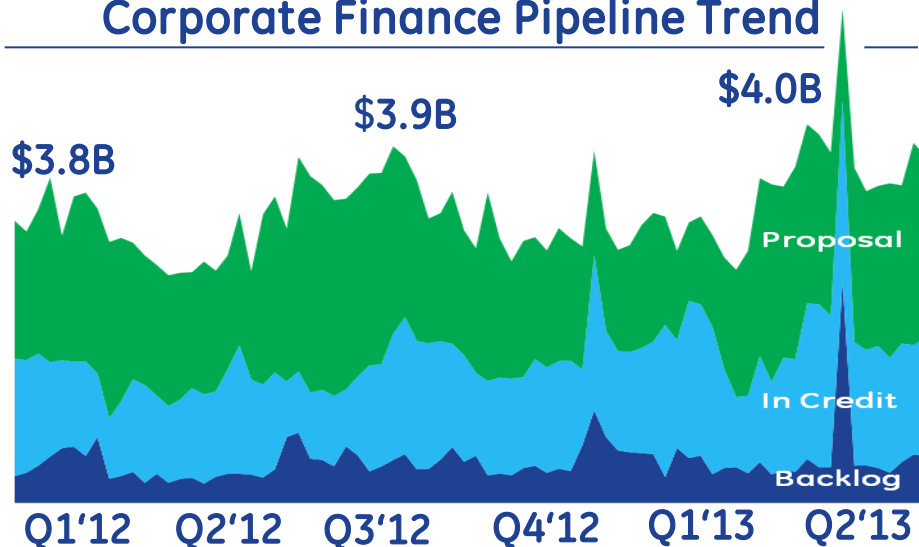
GECapital.com

 imagination at work

Paul Baisley
GE Capital Food, Beverage
and Agribusiness Specialist

Commercial pipeline is building

Corporate Finance Pipeline Trend



Asset-based and cash flow lending:

Retail	++
Food & Beverage	++
Metals	+

Equipment leasing and loans:

Food & Beverage	++
Auto	+
Construction	+

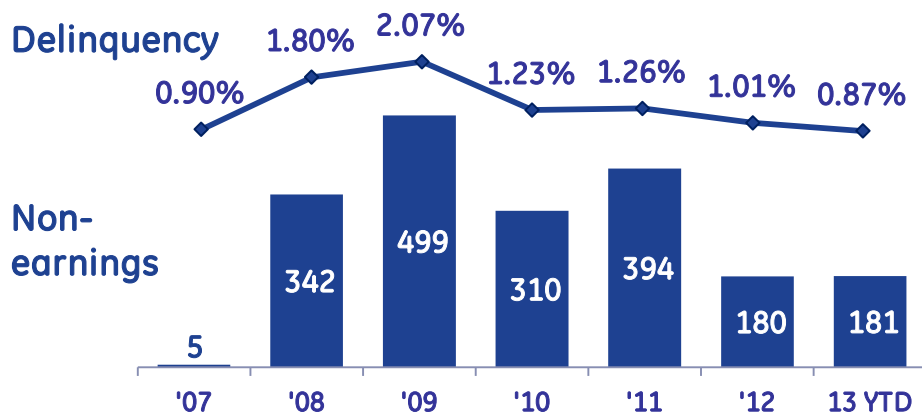
Margins

- Maintaining disciplined capital allocation... focused originations
- Accretive new asset originations improving overall portfolio returns
- Diversifying funding sources

Corporate Finance asset quality

(\$MM)

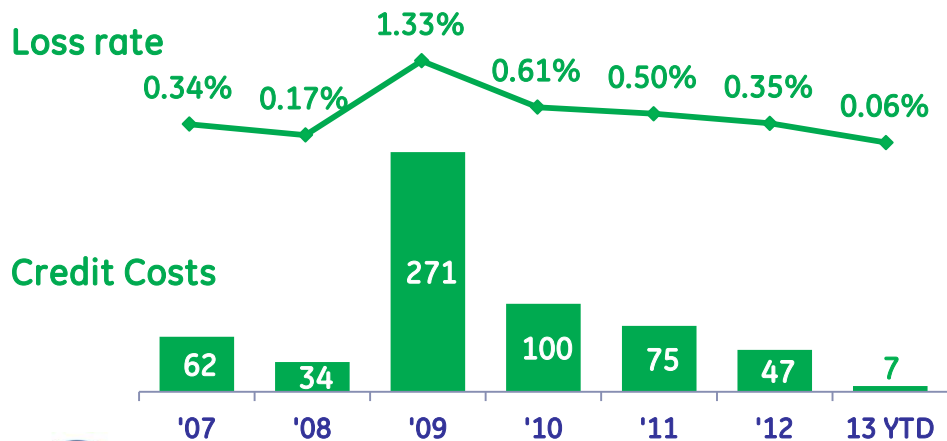
Delinquency/Non Earnings



Current Portfolio Dynamics

- Delinquencies at pre-crisis levels
- Non-earnings down from '09 peak of \$0.5B... expected to decline through '13

Credit Costs



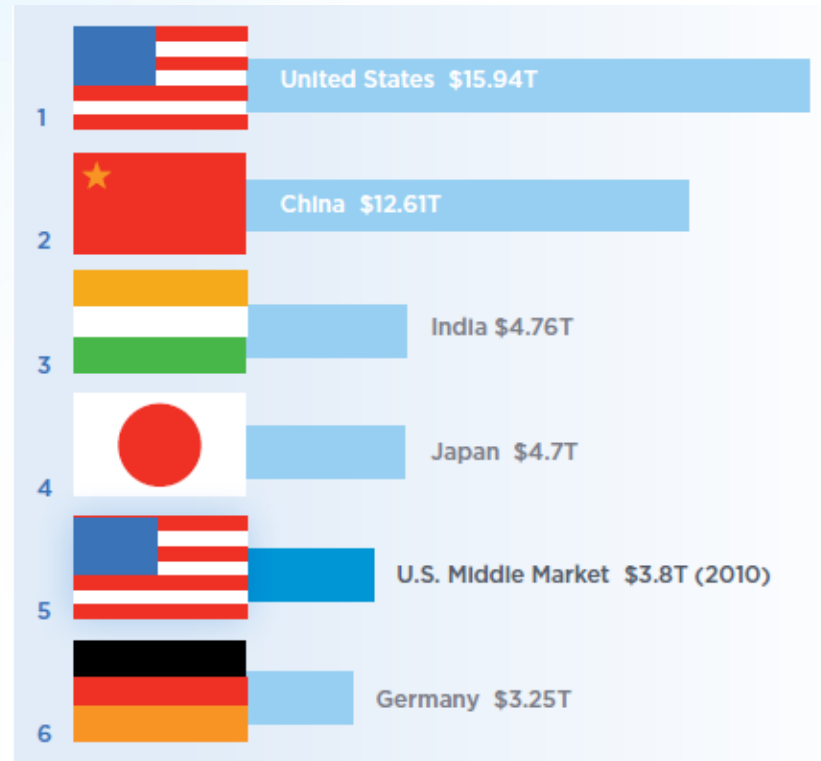
- Credit costs below pre-crisis levels

Continuing to leverage domain expertise to maintain underwriting disciplines & drive portfolio solutions

Focus on the middle market

197K businesses with revenues \$10MM - \$1B

- The middle market is the world's 5th largest economy
- Representing one-third private sector GDP (\$3.8T)
- One-third of U.S. private sector jobs (43MM)
- Mainly privately held, family owned businesses
- Established National Center for The Middle Market with The Ohio State University '11



middlemarketcenter.org



NATIONAL CENTER FOR
THE MIDDLE MARKET

In Collaboration With



U.S. Middle Market Indicator: 2Q '13

Companies are becoming more confident



GLOBAL ECONOMY

48% ↑



NATIONAL ECONOMY

64% ↑



LOCAL ECONOMY

79% ↑

VS. 1 YEAR AGO

2Q'12 22%

2Q'12 50%

2Q'12 67%

Source: NCMM 2Q'13 survey of 1K mid-size company C-suite



NATIONAL CENTER FOR
THE MIDDLE MARKET

In Collaboration With



U.S. Middle Market Indicator: 2Q '13

Revenue growth continues

2Q'13

5.1%

MIDDLE MARKET GROWTH
OVER THE NEXT 12 MONTHS

1.2%

S&P 500
PROJECTED
GROWTH

- Business conditions in middle market stabilized
- Most (65%) see revenue ↑
- Expect top-line growth of 5%+ in the coming year

2Q'13

65%

of middle market
companies anticipate
positive gross revenue
performance over the
next 12 months.

61%

2Q'12

Source: NCMM 2Q'13 survey of 1K mid-size company C-suite



NATIONAL CENTER FOR
THE MIDDLE MARKET

In Collaboration With



U.S. Middle Market Indicator: 2Q '13

Employment gaining momentum

Middle market companies are forecasted to generate

70%*

of all new projected jobs this year.



* Source: BLS and MM data.

2.5%

MIDDLE MARKET
EMPLOYMENT
GROWTH OVER THE
NEXT 12 MONTHS

43%

of middle market
companies
adding jobs.

- 43% of companies expect to add workers in the year ahead, up from 38% 1Q (↑ 13%)
- All industry sectors expect to add workers
- 2.5% employment growth overall; larger middle market companies (\$100MM+ revenues) forecast 3.5%

Source: NCMM 2Q'13 survey of 1K mid-size company C-suite



NATIONAL CENTER FOR
THE MIDDLE MARKET

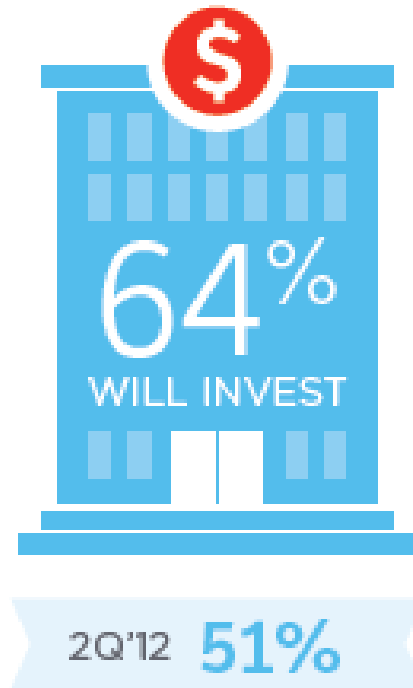
In Collaboration With



U.S. Middle Market Indicator: 2Q '13

Capital investment may be poised to surge

Middle market companies are sending a strong message that they are poised to invest capital to add jobs, equipment, make acquisitions or train employees.



- Ongoing ability to grow revenue, maintain margins remains a concern
- 91% of respondents cited healthcare uncertainty as their chief challenge

Source: NCMM 2Q'13 survey of 1K mid-size company C-suite

Corporate Finance summary

- ✓ Growing our core business as a specialty lender to mid size companies
- ✓ Focused on attractive growth markets where we have deep domain expertise, sustainable competitive advantage
- ✓ Experienced and knowledgeable direct originations team; disciplined risk management team
- ✓ Volume increasing, pipeline building, solid margins, improving delinquencies
- ✓ Unique and meaningful value proposition to help build middle market companies and long term client relationships

Well positioned to compete