

Commercial Paper Market Overview

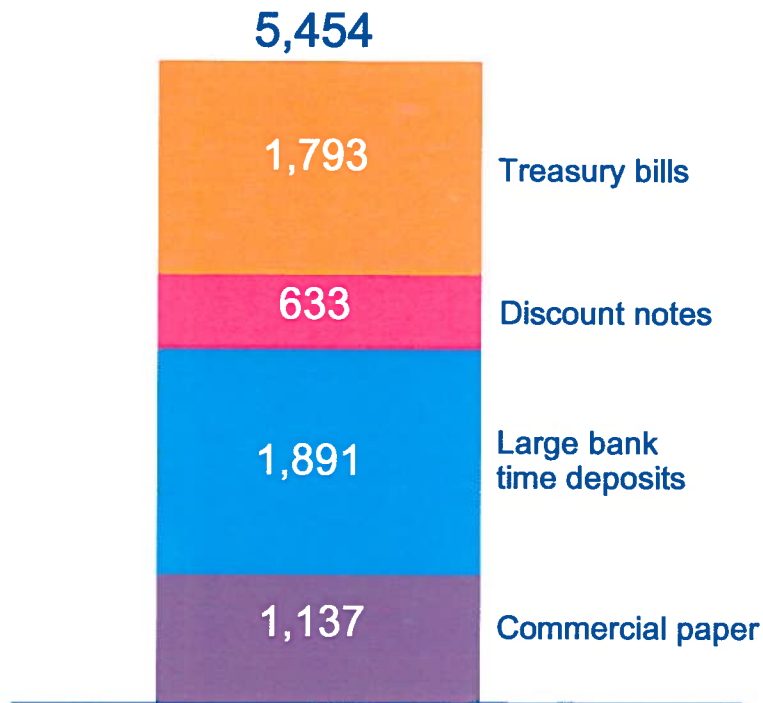
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U.S. Money Market Overview

Daily competition for funds in a \$5.5 trillion market

Debt Issued with Original Term of 1 Year or Less (\$B)



AS OF END OF '09

Source: Federal Reserve, Dep't of the Treasury

Market Dynamics

- Cash markets
- Efficient and disciplined pricing
- Transparency
- Informed investors
- Established distribution platforms
- New trade execution technologies

CP Market Success Factors

Elements in place for efficient access to short-term funds

Regulations permit continuous offering

Deep and diverse investor base

Wide range of issuers differentiated by credit ratings

Competitive primary and secondary markets ... dealers and directs *↳ WASN'T THERE FOR A LOT OF NAMBS*

Price transparency *↳ WILL BUY BACK ON OWN PAPER OCCASIONALLY*

Both issuers and investors benefit from product flexibility

Same-day settlement ... world-class clearing processes

Peak outstandings (7/07) \$2,161B

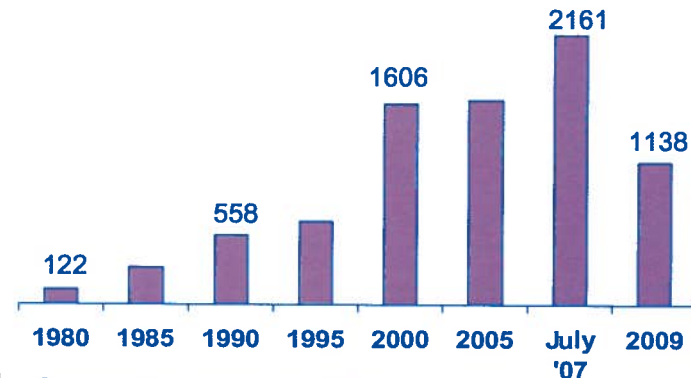
- Unsecured CP \$971.2B 45%
- Asset-Backed CP \$1189.5B 55%

Eligible issuers ~2,900

Avg daily issuance (7/07) ~\$209B

Avg number of issuances (7/07) ~6,400
DAILY

U.S. CP Market 1980 - 2007

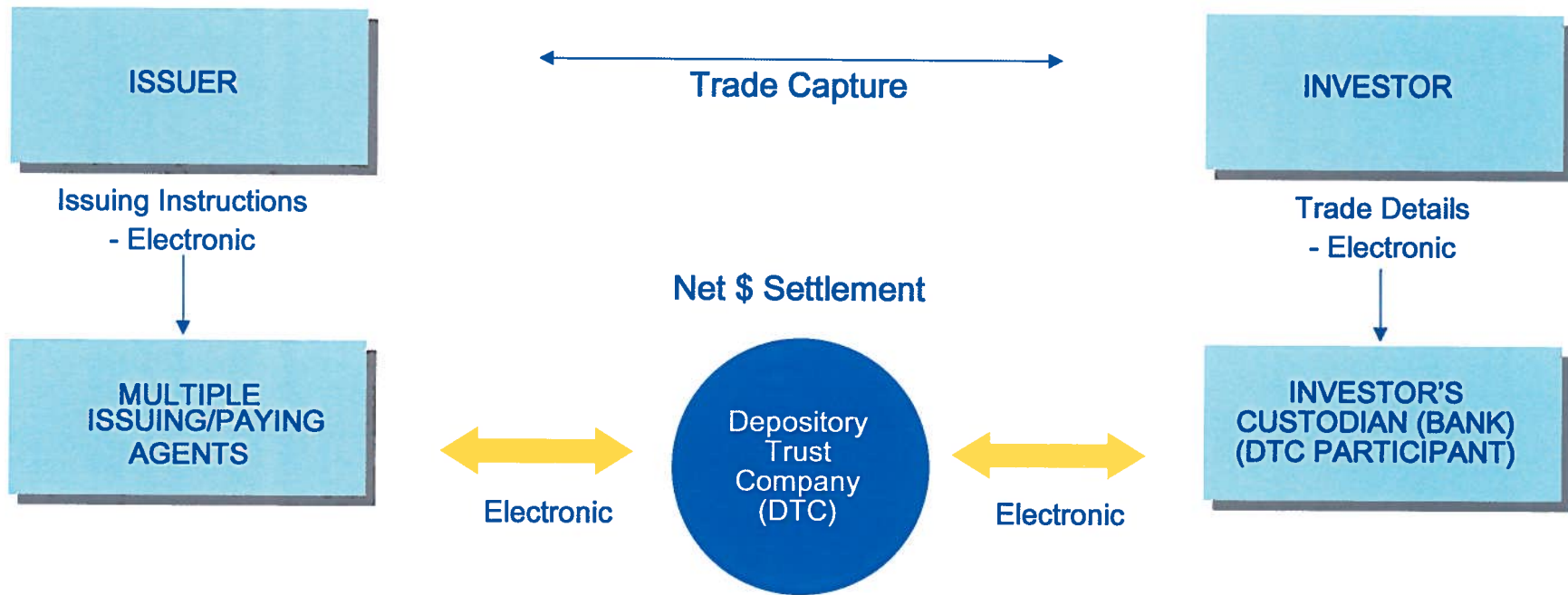


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Source: Federal Reserve, DTCC

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CP Funding Process – Direct Issuer

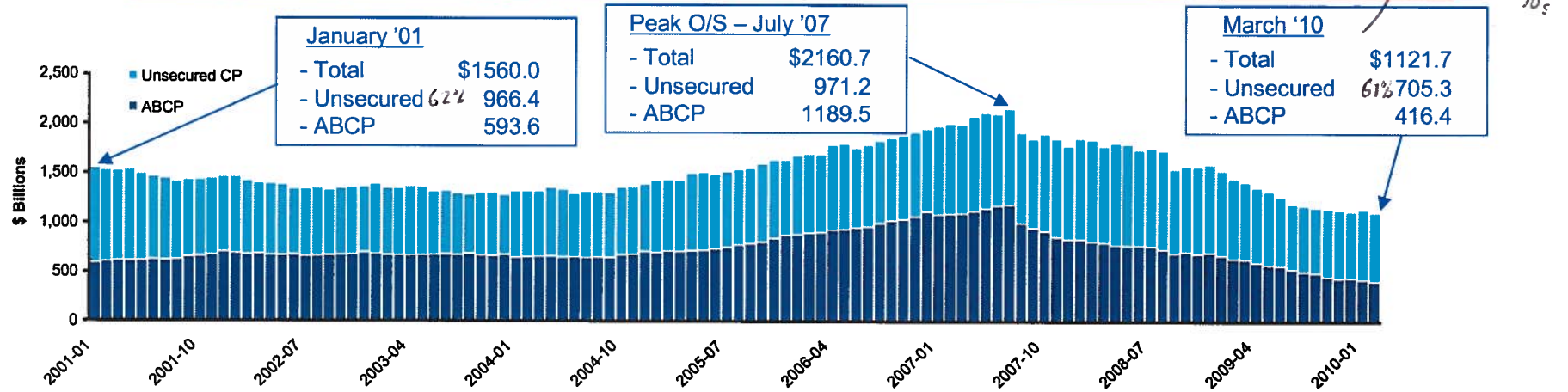


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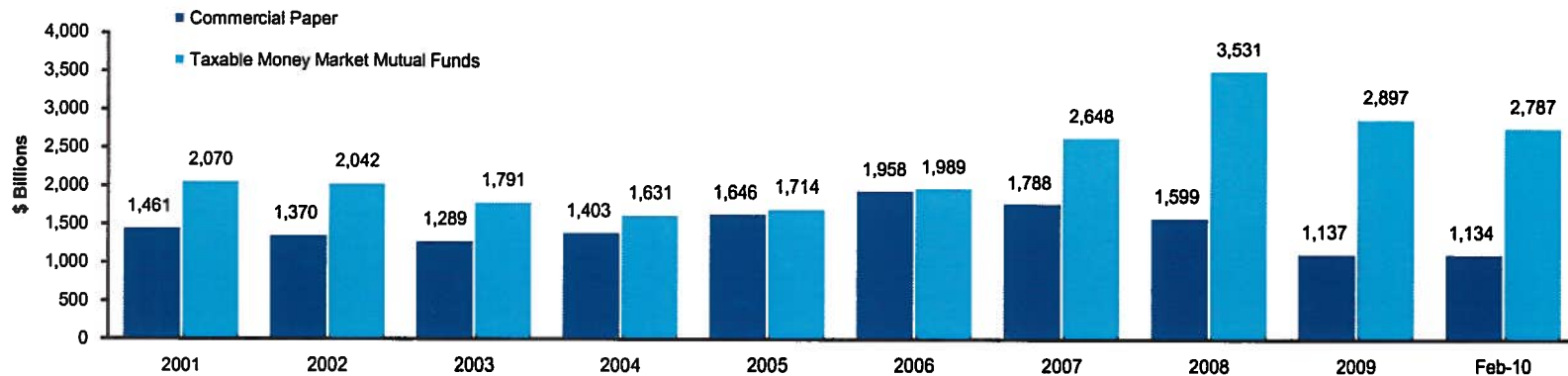
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U.S. Money Market Data

Commercial Paper Market Outstandings by Asset Class at Month-End



Taxable Money Fund Assets vs. Commercial Paper Outstandings



Source: Investment Company Institute, Federal Reserve

Note: Figures represent period-end totals for all money market mutual fund assets and commercial paper O/S.

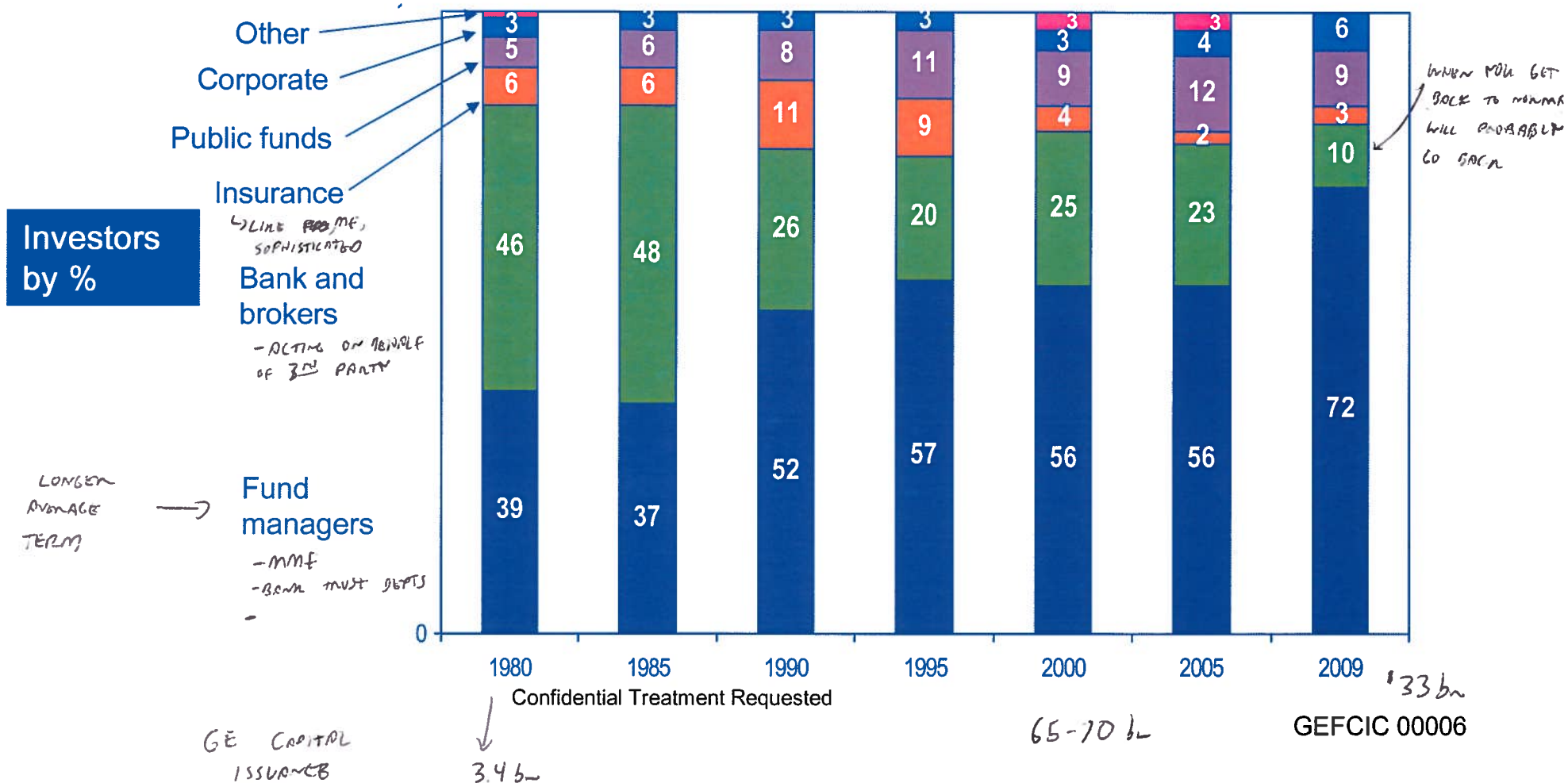
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GECC US Investor Profile

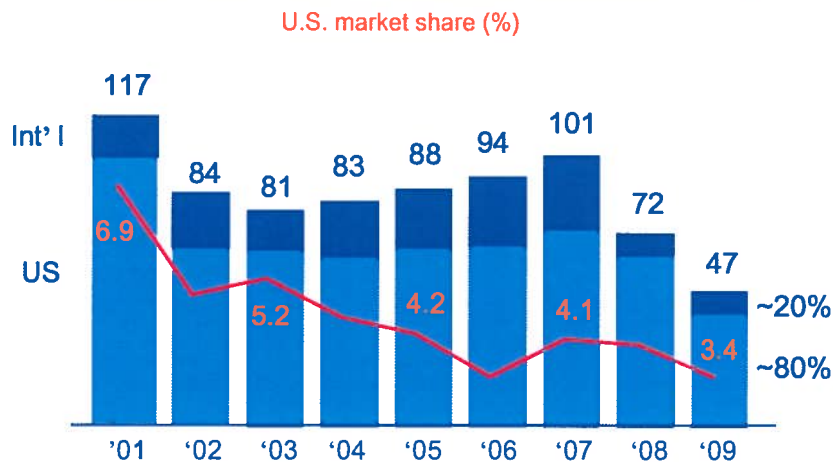
- Changing investor profile reflects gradual concentration of cash with MMFs and large fund managers
- Consistent buying from state and local governments ... recognized Tier 1 names
- Corporate buyers represent a small but steady segment
- Diminished funding from banks and brokers in low rate environment

↳ POPULARITY OF MMF



Commercial Paper - 2009

GECS CP Outstanding (\$B)



US
 Int'l markets
 Euro
 Sterling
 Canada
 AUS
 TAIWAN
 INDIA

→ STAYS IN LOCAL CURRENCY
 TO SUPPORT LOCAL BUSINESSES

CP O/S down ~\$25B (35%) from YE '08

- \$55B CP take down over 18 mos. ending 12/08

Average remaining term at 55 days +/-

- Markets have largely stabilized

- Good term buying by investors

SET CORPORATE GOAL OF 55
 DAYS, PAID ACROSS THE CURVE
 TO ACHIEVE THAT

Diversified investor base globally

- Limiting purchases by largest investors

- Middle market investors coming back to CP

NOT
Too Long
 DON'T WANT TO TAKE ON
 INTEREST RATE RISK

Financial Crisis - Key Events (2007)

- Pre-'07: Unprecedented liquidity ... asset values up ... investors demand higher returns ... credit spread historically tight
- Easy access to housing and other credit ... ABCP > 50%
- Beginning in 2Q issues emerging in sub-prime mortgage market ... lenders lose access to ABS funding ... draw on bank lines ... distressed asset sales
- Investor sentiment turns sour ... credit markets re-price risk amid flight to quality
- Treasuries see biggest rally in years

2007

- 4/02 New Century Financial Corporation (Irvine) files Chapter 11
- 6/06 Rating agency downgrades of bonds backed by second-lien sub-prime mortgages
- 6/07 Bear Stearns suspends redemptions from its structured credit strategies funds and then liquidates (July)
- 7/24 Countrywide 2Q'07 earnings adversely impacted by continued weakness in housing market
- 8/06 American Home Mortgage (Melville, NY) files Chapter 11
- 8/09 BNP Paribas halts redemptions from three funds
- 8/16 Countrywide downgraded by Fitch (to BBB) and draws its entire \$11.5B in credit facilities
- 9/14 Bank of England authorized to provide direct liquidity support to Northern Rock
- 8/18 Fed eases 50 bps to 4.75%
- 10/15 Citibank and JP Morgan announce special \$80B liquidity enhancement conduit to purchase highly rated assets from special purpose vehicles.
- 10/31 Fed eases 25 bps to 4.50% ... illiquidity in the interbank market is reflected in the widening LIBOR / OIS spread
- 12/11 Fed eases 25 bps to 4.25%
- 12/12 Fed announces creation of a Term Auction Facility and temporary currency swap lines to the ECB and SWN

ABCP – Overview of Market - 2007

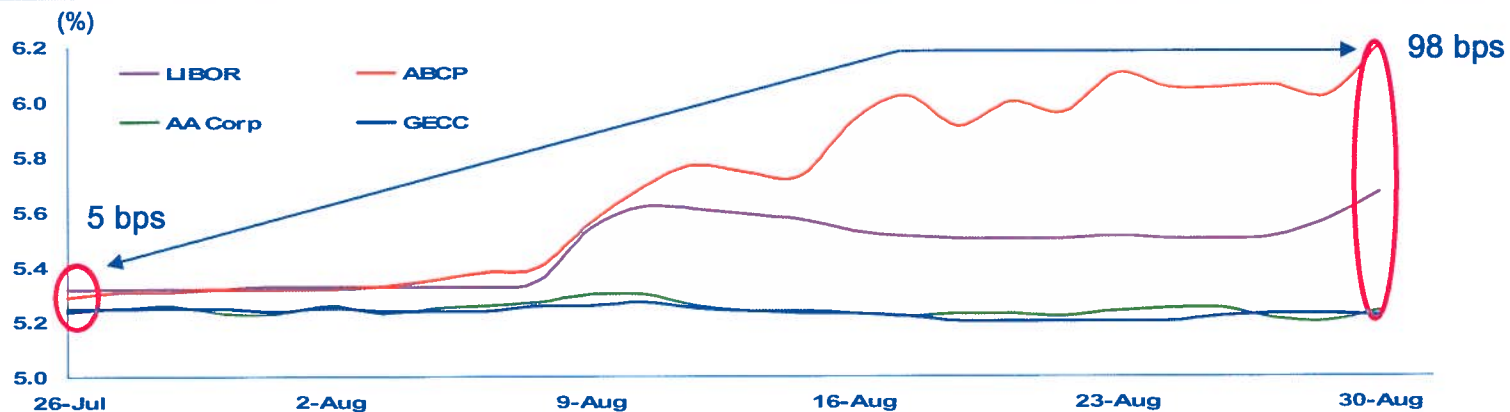
ABCP ... a liquidity shake out in the US

- A \$1.2T market ... 55% of total CP
- ABCP O/S decline
- Investors reassess ABCP exposures
- Pricing spiked 80-90 bps ... issuers unable to roll
- Liquidity providers tapped

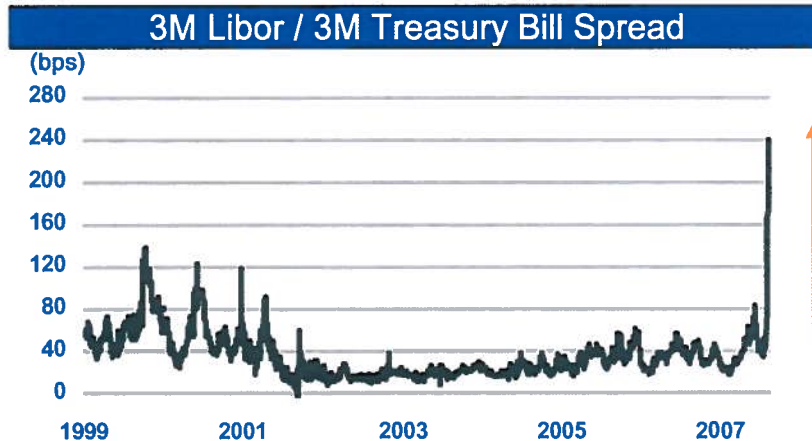
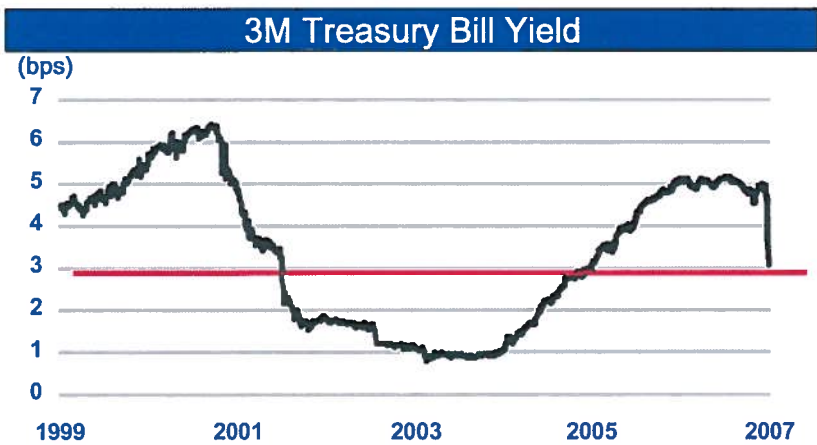
... and globally

- Canada:** Programs unable to roll ABCP ... banks support ABCP conversion to term notes
- Europe:** <25% of maturing ABCP being rolled ... Grampian (\$35B issuer) tapped liquidity facilities
- Australia:** ABCP 60% of CP market ... big supply overhang

ABCP spread to GECC (30 days)



2007 T-bill Rally – Flight to Quality



Source: Barclays and Federal Reserve; net issuance computed as changes in outstanding.

Investors sought safety

- 3 month bill rallied > 200 bps from 7/31
- Most since 9/11

Renewed buying of GECC ... investors repositioned for quality & liquidity

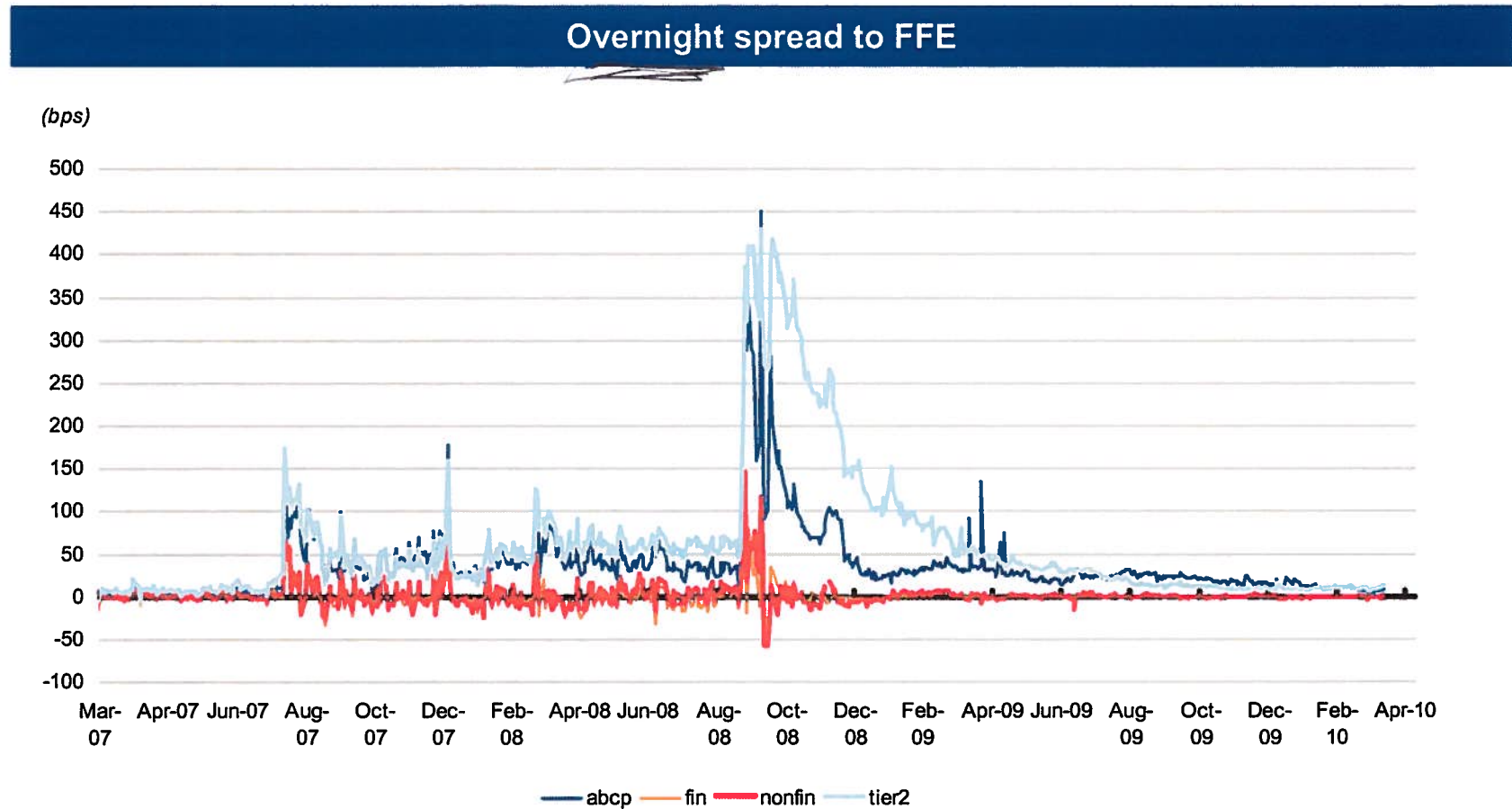
- State/local governments
- Supranationals
- Aggressive MMFs
- Corporates

Reduced support for ABCP and non-prime issuers in 2H'07

- A-2/P-2 O/S down ~24%
- ABCP down ~29%
- Combined decline > \$349B

Commercial Paper Market '07 – '10

Greatest impact on ABCP and Tier 2 issuers



Source: Goldman Sachs

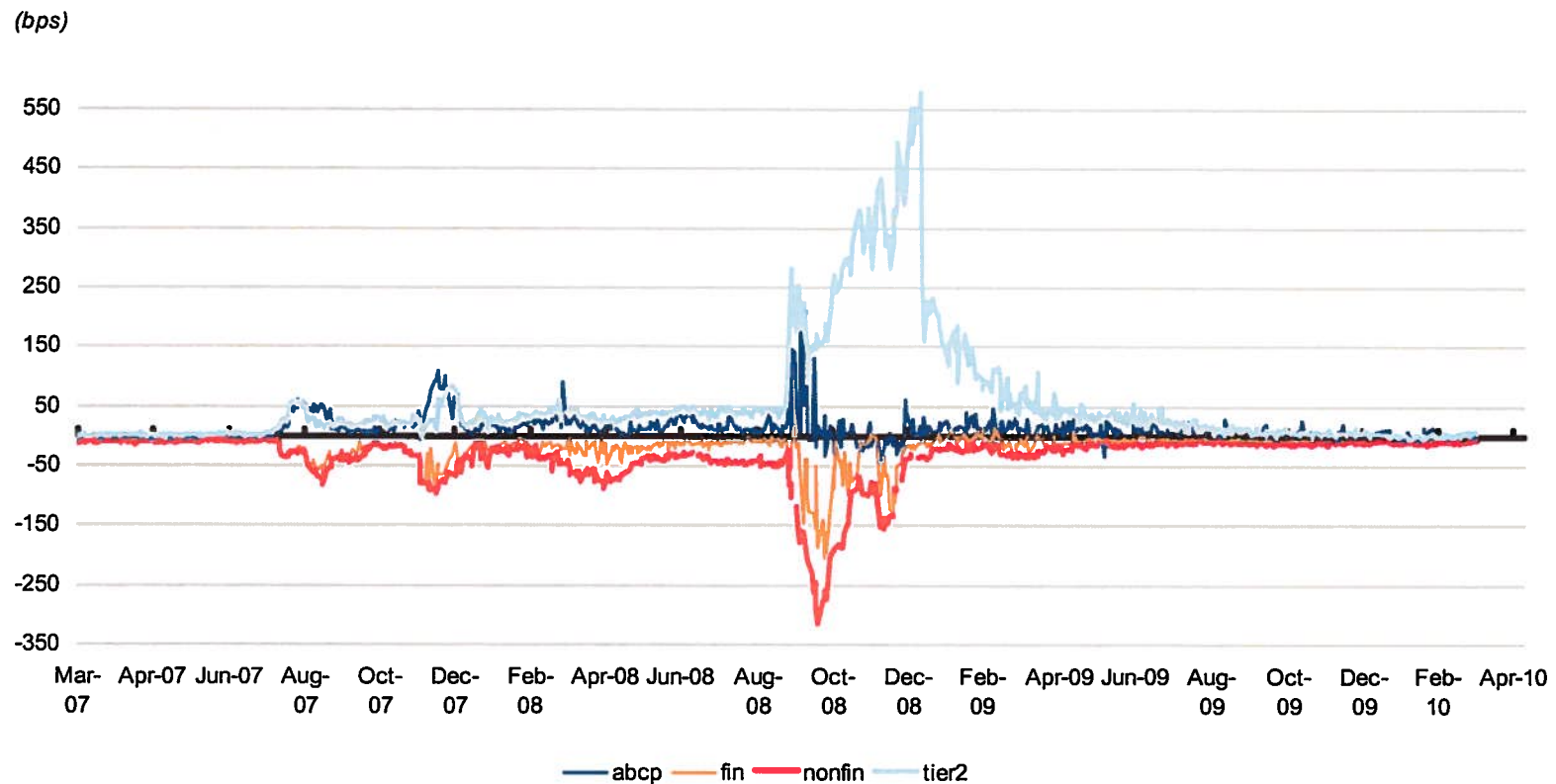
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Commercial Paper Market '07 – '10

Greatest impact on ABCP and Tier 2 issuers

Spread to 1-Month Libor – 03/1/07-3/26/10



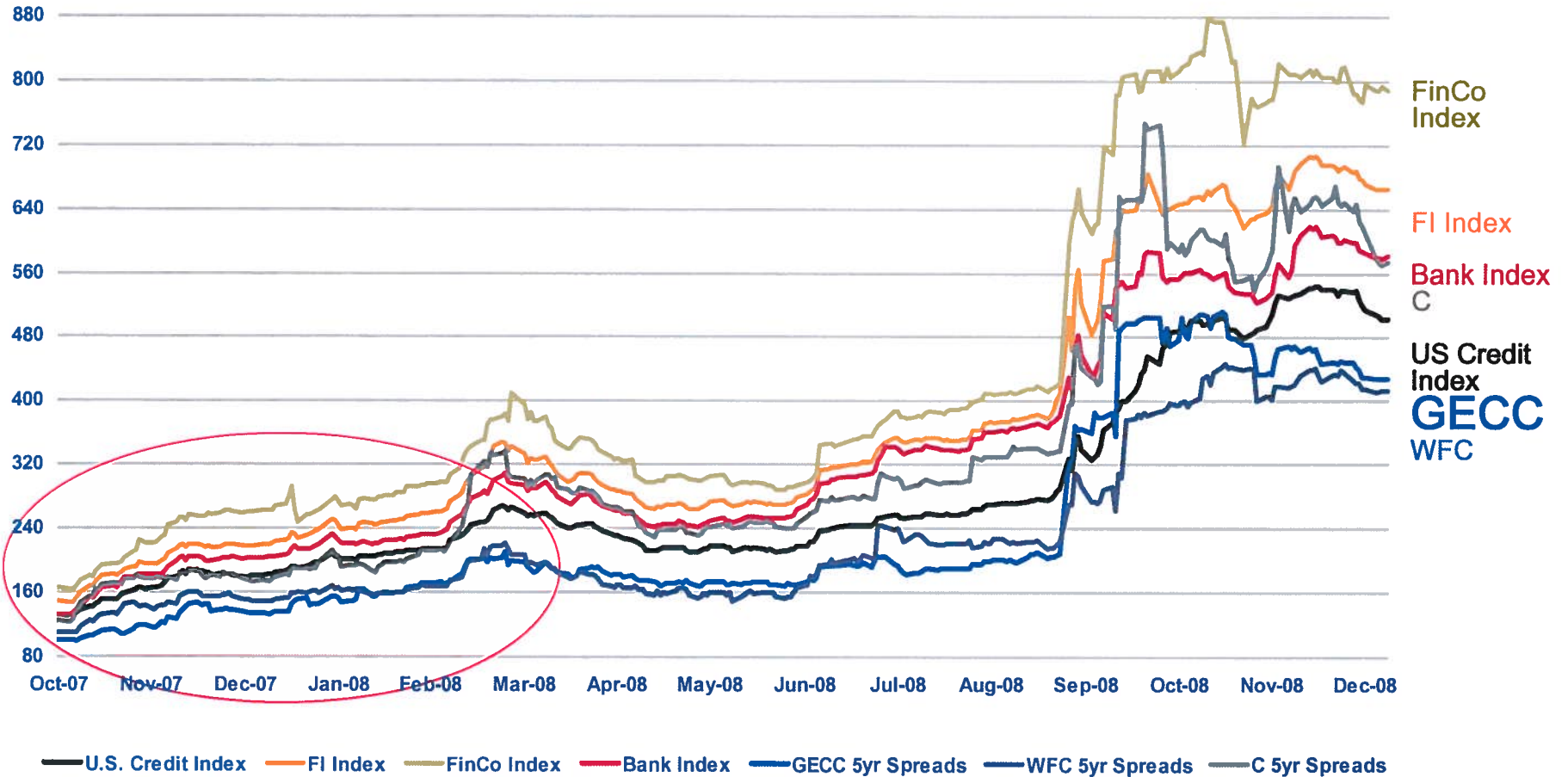
Source: Goldman Sachs

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5-year Spreads 10/07 – 12/08

Option Adjusted Spread (bps)



Source: Barclays Capital

↑
US & INT'L BANKS

NOT BENIGN ENVIRONMENT BEFORE OCT'07 Confidential Treatment Requested

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2007 – GE Capital Perspective

Reaffirmed funding plans and continued investor communication

- Global and diverse investor base
- Continued strong demand
- CP in 11 currencies ... long-term debt in 18 currencies

Renewed focus on operational readiness

- Processes, systems, communication

- Five key liquidity drivers:

- Debt issuance and maturities

- AVG REMAINING MATURITIES
- SPREADS ON DEBT

- Bank lines

→ ALL ISSUES HAVE BACKUP CREDIT FACILITIES

- Asset origination and income

~~SUPPORTIVE~~

- Access to securitization and syndication platforms

→ I.E.
- CREDIT CARDS
- LEASING, ETC.

- Other liquidity sources

→ PROJECTS TO DIVERSIFY FUNDING

Financial Crisis - Key Events (2008)

- Continued economic weakness ... home prices decline ... lending standards tighten ... consumer delinquencies rise
- Increasing signs of global stress
- Fed tried to ease credit conditions (375 bps in 9 mos.) and to reduce systemic risk (new facilities)
- Financial institutions under increasing pressure in 2H'08 ... bond market stagnant ... weak secondary market ... investor concerns over safety and security

2008

1/11	Bank of America agrees to purchase Countrywide for \$4B
1/18	Fitch downgrades AMBAC insurance from AAA to AA
1/22	Fed eases by 75bps to 3.50% in an inter-meeting call
1/30	Fed eases by 50 bps to 3.00%
2/17	Northern Rock taken into state ownership by the UK Treasury
3/11	Federal Reserve creates the Term Securities Lending Facility (TSLF)
3/16	Fed announces the Primary Dealer Credit Facility (PDCF)
3/18	Fed eases by 75 bps to 2.25%
3/14	Fed announces it will provide term financing to support acquisition of Bear Stearns by JP Morgan
4/30	Fed eases by 25 bps to 2.00%
6/5	Approval of BofA Countrywide acquisition
6/25	AMBAC and MBIA downgraded by S&P from AAA to AA
7/11	OTS closes IndyMac Bank
7/13	FRB authorizes NY Fed to lend to Fannie and Freddie if necessary ... Treasury increases credit lines
7/30	Fed extends terms of TSLF and PDCF into 2009

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Financial Crisis - Key Events (2008)

2008

- 9/7 Fannie and Freddie into conservatorship
- 9/15 Bank of America to acquire Merrill
- 9/15 Lehman bankruptcy
- 9/16 Fed to lend up to \$85B to AIG
- 9/16 NAV of Reserve Fund drops below \$1 due to losses on Lehman holdings
- 9/17 SEC: Temporary emergency ban on short selling
- 9/19 Fed announces creation of AMLF ... plans to buy discount notes from Fannie and Freddie
- 9/19 US Treasury announces temporary guaranty program for participating money market funds
- 9/21 Approval of bank holding company status for Goldman and Morgan Stanley
- 9/25 OTS closes WAMU; JP Morgan purchases operations
- 9/25 FDIC announces Citigroup to acquire banking operations of Wachovia
- 9/29 House rejects Treasury Department proposal to acquire "Troubled Assets" from financial institutions (TARP)
- 10/3 Wells announces completion of plan to acquire Wachovia assets
- 10/3 Congress passes TARP
- 10/7 Fed announces creation of CPFF, liquidity backstop for US CP issuers
- 10/8 Fed eases by 50 bps to 1.50%
- 10/14 Under TARP, Treasury to make available \$250B of capital to US banks through preferred stock investments
- 10/14 FDIC announces TLGP to guarantee sr. debt of FDIC insured depository institutions and hold cos.
- 10/21 Fed announces Money Market Investor Funding Facility
- 10/24 PNC acquires National City Bank

2008 – GE Capital Perspective

Strengthened capital base

- Capital infusion of ~\$15B in 4Q'08 – 1Q'09
- Reduced GECS dividend to parent to 10%
- Strengthened Income Maintenance Agreement → to make it longer term in nature

Improved liquidity profile

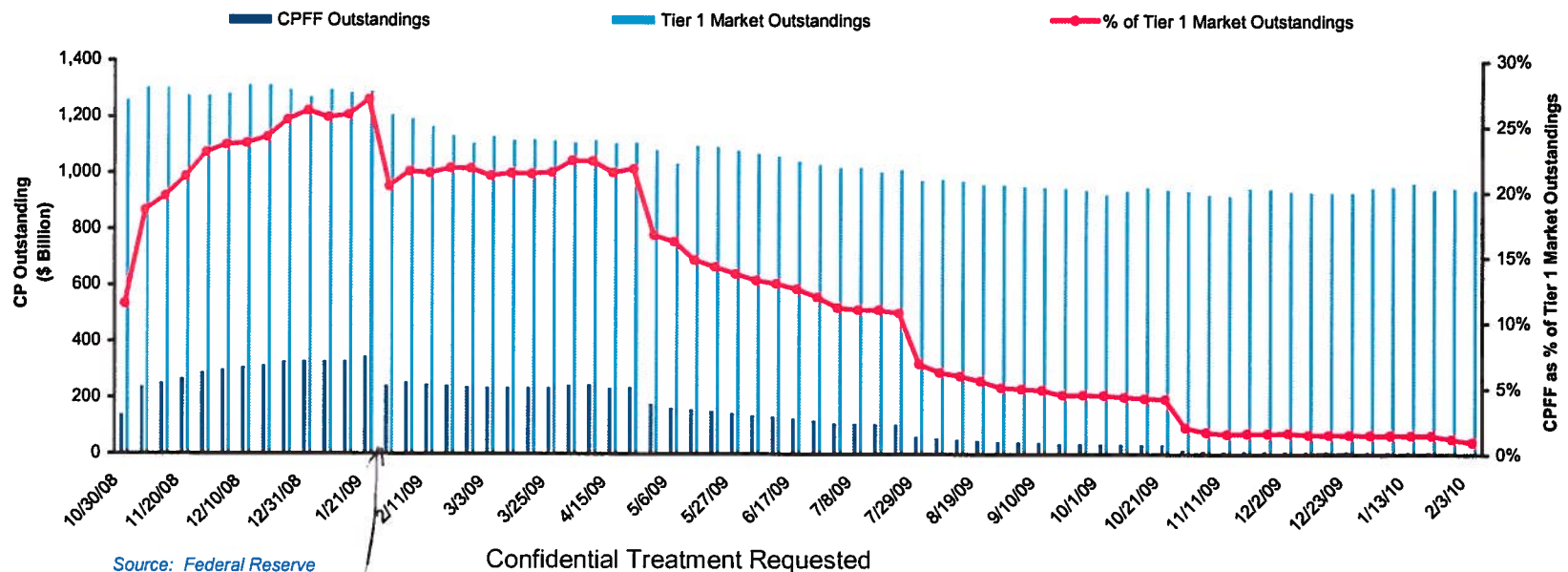
- Reduced reliance on CP (down to \$72B at year-end)
- Continued focus on operational readiness
- Bank lines + cash \geq CP by year-end
- Smaller GECS through originations/collection management
- Utilized government market support programs (CPFF/TLGP)

Commercial Paper Funding Facility

- Launched 10/27/08 ... government backstop allayed CP market liquidity concerns
- Available to US-domiciled issuers rated at least A-1/P-1/F1
- Available for 3-month maturities
- Upfront registration fee; GE paid \$98MM in fees to government
- CPFF outstanding peaked at \$350.5 billion on January 21, 2009, ~27% of Tier 1 CP outstandings

-PARKER 99560 OR FBO FORMULA

CPFF as a Percentage of Tier 1 Market Outstandings



Source: Federal Reserve

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DROP AFTER 90 DAYS

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Temporary Liquidity Guaranty Program

UNSECURED
TERM DEBT MARKETS W/OUT

- Announced 10/14/08 with goal “to strengthen confidence and encourage liquidity in the banking system by guaranteeing newly issued unsecured senior debt of bank, thrifts and certain holding companies.”
- Debt markets experiencing continued volatility, with demand increasingly shifting to government guaranteed paper
- TLGP announcement exacerbated stress (and cost) for debt w/out government guarantee
- Unintended consequence: GECC competitively disadvantaged by initial exclusion, despite triple-A rating
- GECC subsequently found eligible based on ownership of depository institutions
- Application formally approved 11/12; negotiated early exit from TLGP for CP issuance beginning 2Q’09; exited 7/21/09 while retaining capacity to complete 2009 funding
- GE paid total fees of \$2.3B to government

- BEGAN EXIT DISCUSSION W/ FDIC IN 1Q’09

At 12/31/08		
TLGP term debt issued		\$13.4B
TLGP CP outstanding		21.8
At 12/31/09		
TLGP term debt issued		\$46.6B
TLGP CP outstanding		None

→ WILL MATURE BTRW NOW + 12
→ REFINANCING? DEPENDS ON

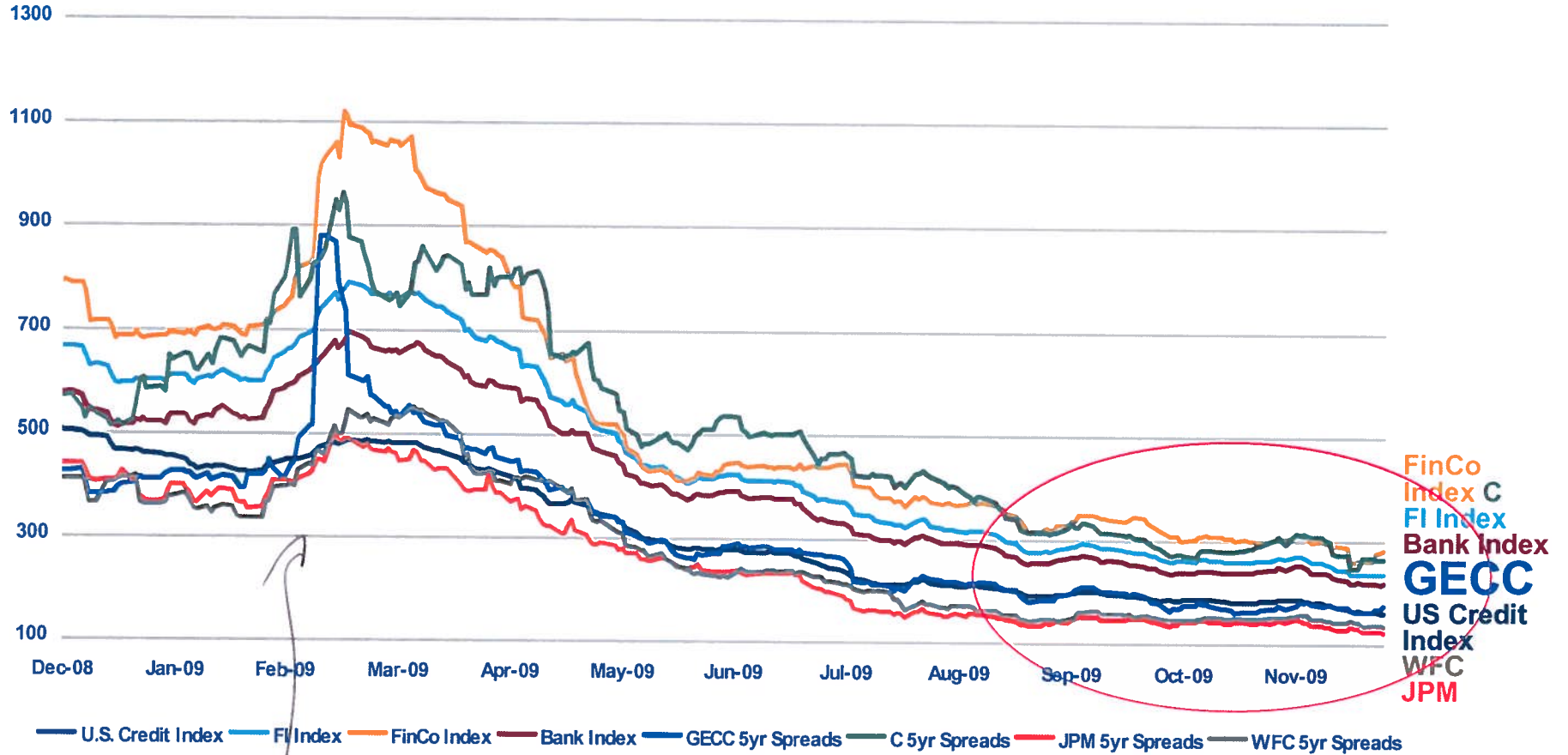
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- EFFORT TO COMMUNICATE ABOUT GE W/ INVESTORS
- TLGP WORKED VERY WELL, WAS RESPONSIVE TO MARKET

5-year Spreads 12/08 – 12/09

Option Adjusted Spread (bps)



Source: Barclays Capital

CONCERN ABOUT WHOLESALE-FUNDED COMPANIES

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