

GENERAL ELECTRIC CAPITAL CORP  
Form 10-Q  
August 02, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

\_\_\_\_\_  
Commission file number 001-06461  
\_\_\_\_\_

GENERAL ELECTRIC CAPITAL CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-1500700  
(I.R.S. Employer Identification No.)

901 Main Avenue, Norwalk, Connecticut  
(Address of principal executive offices)

06851-1168  
(Zip Code)

(Registrant's telephone number, including area code) (203) 840-6300

(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No



## General Electric Capital Corporation

Part I – Financial Information		Page
Item 1.	Financial Statements	
	Condensed Statement of Current and Retained Earnings	3
	Condensed Statement of Financial Position	4
	Condensed Statement of Cash Flows	5
	Notes to Condensed, Consolidated Financial Statements (Unaudited)	6
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	37
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	59
Item 4.	Controls and Procedures	59
Part II – Other Information		
Item 1.	Legal Proceedings	59
Item 6.	Exhibits	61
	Signatures	62

## 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, commodity and equity prices and the value of financial assets; 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; 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 level of demand and financial performance of the major industries we serve, including, without limitation, air transportation, 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; strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses; 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.

## Part I. Financial Information

## Item 1. Financial Statements.

General Electric Capital Corporation and consolidated affiliates  
Condensed Statement of Current and Retained Earnings  
(Unaudited)

(In millions)	Three months ended		Six months ended	
	June 30		June 30	
	2010	2009	2010	2009
<b>Revenues</b>				
Revenues from services (Note 9)	\$ 12,129	\$ 12,531	\$ 24,179	\$ 26,033
Sales of goods	168	205	449	478
Total revenues	12,297	12,736	24,628	26,511
<b>Costs and expenses</b>				
Interest	3,863	4,475	7,792	9,588
Operating and administrative	3,636	3,495	7,313	7,397
Cost of goods sold	154	164	419	388
Investment contracts, insurance losses and insurance annuity benefits	38	45	73	118
Provision for losses on financing receivables	2,009	2,817	4,272	5,153
Depreciation and amortization	1,856	1,946	3,780	4,126
Total costs and expenses	11,556	12,942	23,649	26,770
<b>Earnings (loss) from continuing operations before income taxes</b>				
	741	(206)	979	(259)
Benefit for income taxes	76	654	448	1,782
Earnings from continuing operations	817	448	1,427	1,523
Loss from discontinued operations, net of taxes (Note 2)	(187)	(194)	(574)	(197)
Net earnings	630	254	853	1,326
Less net earnings (loss) attributable to noncontrolling interests	(13)	17	(10)	63
Net earnings attributable to GECC	643	237	863	1,263
Dividends	1	(31)	—	(47)
Retained earnings at beginning of period	45,863	46,456	45,644	45,446
Retained earnings at end of period	\$ 46,507	\$ 46,662	\$ 46,507	\$ 46,662
<b>Amounts attributable to GECC</b>				
Earnings from continuing operations	\$ 830	\$ 431	\$ 1,437	\$ 1,460
Loss from discontinued operations, net of taxes	(187)	(194)	(574)	(197)
Net earnings attributable to GECC	\$ 643	\$ 237	\$ 863	\$ 1,263

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During the three and six months ended June 30, 2010, we recorded pre-tax, other-than-temporary impairments of \$95 million and \$247 million, respectively, of which \$53 million and \$126 million, respectively, was recorded through earnings and \$42 million and \$121 million, respectively, was recorded in Accumulated Other Comprehensive Income.

See accompanying notes.

(3)

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General Electric Capital Corporation and consolidated affiliates  
Condensed Statement of Financial Position

(In millions)	June 30, 2010 (Unaudited)	December 31, 2009
<b>Assets</b>		
Cash and equivalents	\$ 61,188	\$ 63,696
Investment securities (Note 3)	15,800	27,509
Inventories	71	71
Financing receivables – net (Note 4)	333,262	336,926
Other receivables	12,560	17,876
Property, plant and equipment, less accumulated amortization of \$25,612 and \$26,307	53,669	56,695
Goodwill (Note 5)	27,143	28,961
Other intangible assets – net (Note 5)	2,347	3,018
Other assets	81,317	86,355
Assets of businesses held for sale	599	125
Assets of discontinued operations (Note 2)	1,203	1,470
<b>Total assets(a)</b>	<b>\$ 589,159</b>	<b>\$ 622,702</b>
<b>Liabilities and equity</b>		
Short-term borrowings (Note 6)	\$ 116,015	\$ 128,329
Accounts payable	8,043	11,162
Non-recourse borrowings of consolidated securitization entities (Note 6)	33,411	3,883
Bank deposits (Note 6)	37,471	38,923
Long-term borrowings (Note 6)	289,699	326,321
Investment contracts, insurance liabilities and insurance annuity benefits	7,430	8,687
Other liabilities	19,658	22,736
Deferred income taxes	5,279	5,831
Liabilities of businesses held for sale	261	55
Liabilities of discontinued operations (Note 2)	971	853
<b>Total liabilities(a)</b>	<b>518,238</b>	<b>546,780</b>
Capital stock	56	56
Accumulated other comprehensive income – net(b)		
Investment securities	(702)	(676)
Currency translation adjustments	(2,750)	1,228