



SUPPLEMENTAL DOCUMENT
March 31, 2016

Summary of GE Capital's SIFI Rescission Request

In 2013, GE Capital was designated as a nonbank Systemically Important Financial Institution (Nonbank SIFI) by the Financial Stability Oversight Council (FSOC). GE Capital has since undergone a complete transformation, driven primarily by a strategic decision to exit most of its financial services businesses and focus on key verticals that support GE's industrial businesses and its customers.

As a result, GE Capital today is smaller, simpler and less interconnected with the U.S. financial system. Below is a summary of certain elements of the Company's submission to the FSOC, which demonstrates that GE Capital does not pose any conceivable threat to U.S. financial stability. Thus, GE Capital believes that it no longer meets the criteria for designation as a Nonbank SIFI and submits that the designation should be rescinded.

GE Capital in 2012

In designating GE Capital as a Nonbank SIFI, the FSOC found that the amount and nature of the exposures of large bank and nonbank financial companies to GE Capital, GE Capital's reliance on short-term wholesale funding, and the composition of its assets made it likely that the impact of any material financial distress experienced by GE Capital would be transmitted to U.S. financial markets and affect the financial stability of the United States.

At the time GE Capital was designated as a Nonbank SIFI, the Company had total assets of \$549 billion.¹ In the U.S., GE Capital owned two insured depository institutions (IDIs) whose deposits were insured by the Federal Deposit Insurance Corporation (FDIC); outside the U.S., GE Capital owned 15 banking entities. The Company extended credit to more than 243,000 commercial customers, 201,000 small businesses through retail programs, and 57 million consumers in the U.S.

GE Capital Today: A Smaller, Simpler Company

Since December 31, 2012, GE Capital has exited the majority of its financial businesses, with the exception of those that directly support or have synergies with GE's industrial businesses.

- **GE Capital's total assets have decreased 52%**, from \$549 billion as of December 31, 2012 to \$265 billion as of today. Of the remaining \$265 billion in assets:
 - \$77 billion are Cash and Cash-Like Investments²
 - \$36 billion are assets related to its run-off insurance activities
 - \$153 billion are therefore non-cash, non-insurance related assets; and only ~ \$50 billion of these assets are in the U.S.
 - By December 31, 2016, GE Capital estimates that its total assets will have decreased another 25%, from \$265 billion to \$199 billion, of which only \$109 billion will be in non-cash, non-insurance related assets and less than \$50 billion of these assets will be in the U.S.
- **GE Capital's financing receivables have decreased 74%** from \$277 billion as of December 31, 2012 to \$72 billion today as a result of numerous dispositions.

¹ Current and historical financial information is generally presented in this summary on the basis used to report financial information to the Federal Reserve, including on Form FR Y-9C. The comparisons in this summary to GE Capital "as of 2012" generally refer to facts and amounts as of December 31, 2012. However, in cases where the FSOC based its determination on facts and amounts as of an earlier date in 2012, the comparisons conform to those earlier dates.

² Cash and Cash-Like Investments consist of cash and balances due from depository institutions, reverse repurchase agreements, U.S. Treasury securities other than trading positions, and U.S. government agency and government-sponsored entity obligations other than trading positions as defined in FR Y-9C.

- **GE Capital has exited most of its bank and bank-like financing businesses** including leveraged lending, all U.S. consumer lending, most consumer lending in Europe, almost all U.S. middle market lending, and nearly all commercial real estate financing. GE Capital has divested one of its U.S. IDIs and regulatory approval has been granted for the sale of its U.S. deposit business to Goldman Sachs and the surrender of that bank charter. These actions should be completed by April 30, 2016, after which GE Capital will no longer own any banks with deposits insured by the FDIC.
- **GE Capital has reduced its use of short-term funding by 86%**, from \$98 billion to \$14 billion (after giving effect to the sale of U.S. deposits described above), which represents a mere 6% of total liabilities, down from 21% at December 31, 2012.
- **GE Capital's Cash and Cash-Like Investments have grown 35%**, from \$57 billion at December 31, 2012 to \$77 billion today. Its current balance ensures GE Capital would be amply able to meet its obligations in the extremely unlikely event that it were to face immediate and significant liquidity outflows.
- **GE Capital's portfolio is now more heavily weighted towards its verticals – the businesses that directly support or have synergies with GE's industrial businesses:**
 - GE Capital Aviation Services, which provides full life-cycle management and equipment financing solutions to the global airline industry;
 - Energy Financial Services, which invests in long-lived, capital intensive energy projects and companies; and
 - Industrial Finance, an organization through which GE Capital provides financing solutions for GE's industrial businesses and its customers.

As a result of this strategic focus, GE Capital's portfolio composition, funding structure and systemic risk profile will be similar to other finance companies aligned with their industrial parents.

- **GE Capital's reorganized and streamlined structure now consists of a holding company, which is wholly owned directly by GE.** GE Capital's reorganization greatly simplifies legal entity and funding structures and reflects the strategic shift in the center of gravity of its regulated activities and operations to Europe.
 - GE Capital now owns two subsidiaries - a U.S. holding company that holds GE Capital's U.S. assets and conducts its U.S. operations; and a U.K. holding company that owns GE Capital's non-U.S. assets and conducts its non-U.S. operations. The U.K. holding company is subject to supervision by the U.K. Prudential Regulation Authority (PRA).
 - Reflecting the strategic shift in GE Capital activities, the PRA is responsible for supervising entities that comprise the majority of GE Capital's assets and will oversee non-U.S. operations for as long as prudential regulation is required.
- GE is now directly liable for a significant portion of the unsecured debt previously issued by GE Capital and also guarantees all of GE Capital's unsecured debt. In the unlikely event that GE Capital encounters material financial distress, such distress, on its own, would not cause any losses to its debt holders, which in turn substantially reduces the risk of a run on GE Capital.

A Company That Does Not Pose a Threat to U.S. Financial Stability

As a result of the transformation described above, GE Capital is substantially more resilient to financial distress and has significantly reduced the risks that any such hypothetical financial distress could pose a threat to U.S. financial stability. Consistent with criteria employed by FSOC in its SIFI designation, GE Capital's submission assesses the impact of such hypothetical financial distress on creditors, counterparties, investors – including money market funds – and customers, as well as on large global banks, nonbank financial companies, other market participants, and the broader economy.

Taken together, GE Capital demonstrates that it is not systemically important in its current state, for the following reasons:

- GE Capital's minimal amount of short-term funding and strong liquidity position, among other factors, make it resilient against runs or other financial shocks;
- GE Capital's interconnections with other financial institutions, through their exposures to GE Capital's commercial paper, long-term debt, committed lines of credit, and through derivatives transactions, are at a low, safe level;
- GE Capital's mix of operating assets is focused on serving GE's industrial business and their customers, diverging from the types of assets typically held by large banks;
- GE Capital's current activities do not involve the provision of a critical function or service to the economy which could not be substituted by others; and
- GE Capital's simplified and streamlined organizational structure and its relationship with its industrial parent facilitate its rapid and orderly resolution without adverse impact on the financial stability of the United States.

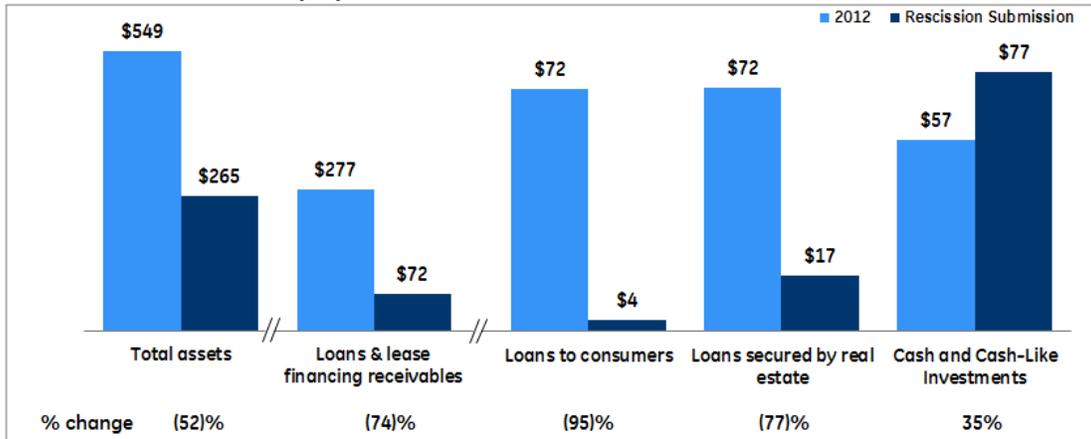
Caution Concerning Forward-Looking Statements:

This document contains "forward-looking statements" – that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see <http://www.ge.com/investor-relations/disclaimer-caution-concerning-forward-looking-statements> as well as our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

Appendix

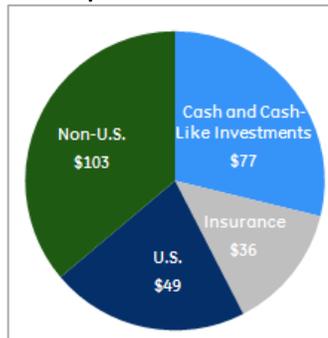
- Key Systemic Risk Metrics – Assets
- Composition of GE Capital Total Assets
- Key Systemic Risk Metrics – Liabilities
- GE Capital Divestitures since December 31, 2012
- Key Quantitative Metrics

Key Systemic Risk Metrics—Assets (\$ billions)



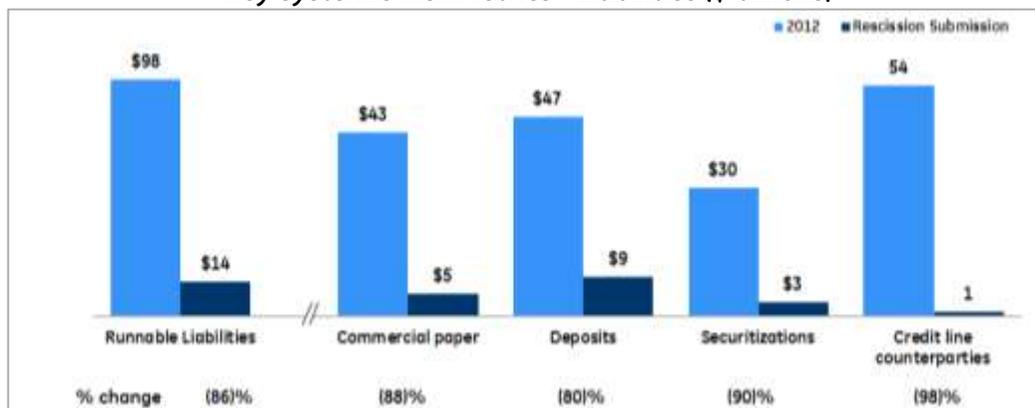
Source: GE Capital FR Y-9C; GE Capital internal data.

Composition of GE Capital Total Assets (\$ billions)



Source: GE Capital Rescission Submission; GE Capital internal data, as of Rescission Submission date.

Key Systemic Risk Metrics—Liabilities (\$ billions)



Source: GE Capital FR Y-9C; GE Capital internal data.

GE Capital Divestitures since December 31, 2012

	Type of Disposition	Details	Amount of Assets or Deposits Divested
Banks	Dispositions of Banks and Bank Assets and Deposits	Exit of U.S. banking through the separation from Synchrony Financial and its subsidiary, Synchrony Bank, and the pending sale of GE Capital Bank's U.S. online deposit platform and all of its deposits, including online savings accounts, online CDs and brokered CDs	Assets: \$87 billion (Synchrony) Deposits: \$58 billion (collectively)
		Reduction in foreign banking entities through the sale of banks in Switzerland, Sweden, the Netherlands, Hungary, Russia, and Latvia	Assets: \$14 billion
		Exit of consumer mortgage business in the United Kingdom through sales of assets	Assets: \$15 billion
Non-Banks	Dispositions of Consumer Financing Businesses and Assets	Exit of consumer financing businesses in South Korea, Australia, and New Zealand through sales of assets	Assets: \$9 billion
		Exit of U.S. and European Sponsor Finance businesses through sales of assets	Assets: \$17 billion
	Disposition of Global Commercial Lending and Leasing Businesses and Assets	Exit of certain lending and leasing lines of business in the United States, Japan, Mexico, Canada, South Korea, Australia, and New Zealand through sales of equipment, healthcare, vendor finance, fleet, rail, corporate aircraft, and other lending and leasing assets	Assets: \$66 billion
		Reduction in inventory financing assets through sales of assets in the United States and Canada	Assets: \$11 billion
		Reduction of joint ventures and other equity investments related to commercial lending and leasing	Assets: \$5 billion
	Disposition of Global Commercial Real Estate Assets	Sale of substantially all commercial real estate loans and investments globally	Assets: \$50 billion
Total Assets Divested: \$272 billion			

Source: GE Capital internal data. Assets represented as part of the GE Capital Exit Plan are quantified based on amounts as of December 31, 2014 for purposes of consistency and comparability; all other transactions are quantified based on the date the transaction closed.

Below is a summary of the key quantitative metrics considered by FSOC in 2013, which demonstrate the transformation in GE Capital's systemic risk profile.³

Key Quantitative Metrics

	2012	Rescission Submission	% Change
Assets			
Total assets (\$B)	549	265	(52)%
Cash and Cash-Like Investments (\$B)	57	77	35%
<i>Cash and Cash-Like Investments as a % of total assets</i>	10%	29%	
<i>Total assets less Cash and Cash-Like Investments (\$B)</i>	492	189	(62)%
Loans and lease financing receivables (\$B)	277	72	(74)%
Loans to consumers (\$B)	72	4	(95)%
<i>U.S. loans to consumers (\$B)</i>	50	0	(100)%
Loans secured by real estate (\$B)	72	17	(77)%
<i>U.S. loans secured by real estate (\$B)</i>	23	5	(76)%
C&I loans (\$B)	101	35	(66)%
<i>U.S. C&I loans (\$B)</i>	57	12	(78)%
Commercial real estate equity (\$B)	22	0	(100)%
Other Assets (\$B)	165	71	(57)%
Liabilities			
Total liabilities (\$B)	466	227	(51)%
Commercial paper outstanding (\$B)	43	5	(88)%
Deposits (\$B)	47	9	(80)%
<i>U.S. deposits (\$B)</i>	30	0	(100)%
Runnable Liabilities (\$B)	98	14	(86)%
<i>Runnable Liabilities as a % of total liabilities</i>	21%	6%	
Securitization debt (\$B)	30	3	(90)%
Long-term debt (\$B)	225	113	(50)%
Capital and Liquidity			
Basel III Common Equity Tier 1 capital ratio (%)	9.5%	14.5%	
U.S. Basel III Liquidity Coverage Ratio (%)	--	251%	
Interconnectedness			
Exposures of G-SIBs to GE Capital (\$B)	19	5	(71)%
Market share in U.S. CP (%)	3.3%	<0.1%	
Money Market Funds holding GE Capital CP (#)	51	0	(100)%
Institutions extending committed credit lines (#)	54	1	(98)%
Derivatives notional (\$B)	303	299	(1)%
Source of Credit in the United States			
Consumer financing customers (#)	57,000,000	0	(100)%
Small business customers (#)	201,000	0	(100)%

Source: GE Capital FR Y-9C and internal data; Loans to consumers, loans secured by real estate, and C&I loans exclude allowance for loan and lease losses; Long-term debt excludes securitizations and the current portion of long-term debt and includes unsecured debt, subordinated notes payable to unconsolidated trusts, and issuing trust preferred securities, which are recorded in Other liabilities for FR reporting purposes. CP market data based on Crane Data, Money Fund Intelligence Daily Data as of December 31, 2015. "U.S. deposits" reflect the pending assumption of GE Capital Bank's remaining deposits by Goldman Sachs Bank USA for which regulatory approval has been received and which is scheduled to close on April 15, 2016. "Runnable Liabilities" is defined as: CP, GE Interest Plus obligations (in the case of 2012), federal funds purchased (in the case of 2012), securities sold under agreements to repurchase, and deposits. 2015 BIII CET1 is as of December 31, 2015; 2015 U.S. BIII LCR is as of January 31, 2016, the date GE Capital was first required to calculate and maintain a monthly LCR of at least 90%. Small business customers refers to the number of such customers of GE Capital's retail programs.

³ Current and historical financial information is generally presented in this summary on the basis used to report financial information to the Federal Reserve, including on Form FR Y-9C.