

GENERAL ELECTRIC CAPITAL CORP
Form 10-Q
November 03, 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 September 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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At October 30, 2010, 3,985,404 shares of voting common stock, which constitute all of the outstanding common equity, with a par value of \$14 per share were outstanding.

REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(a) AND (b) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM 10-Q WITH THE REDUCED DISCLOSURE FORMAT.

(1)

General Electric Capital Corporation

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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; changes in Japanese consumer behavior that may affect our estimates of liability for excess interest refund claims (Grey Zone); 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		Nine months ended	
	September 30		September 30	
	2010	2009	2010	2009
Revenues				
Revenues from services (a)	\$ 11,606	\$ 11,897	\$ 35,911	\$ 38,011
Other-than-temporary impairment on investment securities:				
Total other-than-temporary impairment on investment securities	(36)	(265)	(283)	(447)
Less: Portion of other-than-temporary impairment recognized in accumulated other comprehensive income	6	160	127	261
Net other-than-temporary impairment on investment securities recognized in earnings	(30)	(105)	(156)	(186)
Revenues from services (Note 9)	11,576	11,792	35,755	37,825
Sales of goods	40	213	489	691
Total revenues	11,616	12,005	36,244	38,516
Costs and expenses				
Interest	3,782	4,135	11,574	13,723
Operating and administrative	3,509	3,673	10,822	11,070
Cost of goods sold	39	181	458	569
Investment contracts, insurance losses and insurance annuity benefits	36	47	109	165
Provision for losses on financing receivables	1,696	2,868	5,968	8,021
Depreciation and amortization	2,027	2,068	5,807	6,194
Total costs and expenses	11,089	12,972	34,738	39,742
Earnings (loss) from continuing operations before income taxes	527	(967)	1,506	(1,226)
Benefit for income taxes	367	1,116	815	2,898
Earnings from continuing operations	894	149	2,321	1,672
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(1,104)	84	(1,678)	(113)

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Net earnings (loss)	(210)	233	643	1,559
Less net earnings attributable to noncontrolling interests	23	8	13	71
Net earnings (loss) attributable to GECC	(233)	225	630	1,488
Dividends	—	(37)	—	(84)
Retained earnings at beginning of period	46,502	46,645	45,639	45,429
Retained earnings at end of period	\$ 46,269	\$ 46,833	\$ 46,269	\$ 46,833
Amounts attributable to GECC				
Earnings from continuing operations	\$ 871	\$ 141	\$ 2,308	\$ 1,601
Earnings (loss) from discontinued operations, net of taxes	(1,104)	84	(1,678)	(113)
Net earnings (loss) attributable to GECC	\$ (233)	\$ 225	\$ 630	\$ 1,488

(a) Excluding net other-than-temporary impairment on investment securities.

See accompanying notes.

(3)

General Electric Capital Corporation and consolidated affiliates

Condensed Statement of Financial Position

(In millions)	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Cash and equivalents	\$ 65,359	\$ 63,696
Investment securities (Note 3)	18,506	27,509
Inventories	62	71
Financing receivables – net (Note 4)	331,343	336,926
Other receivables	12,787	17,876
Property, plant and equipment, less accumulated amortization of \$26,062 and \$26,307	53,670	56,695
Goodwill (Note 5)	27,828	28,961
Other intangible assets – net (Note 5)	2,268	3,018
Other assets	82,206	86,355
Assets of businesses held for sale (Note 2)	786	125
Assets of discontinued operations (Note 2)	1,283	1,470
Total assets(a)	\$ 596,098	\$ 622,702
Liabilities and equity		
Short-term borrowings (Note 6)	\$ 110,717	\$ 128,329
Accounts payable	8,227	11,162
Non-recourse borrowings of consolidated securitization entities (Note 6)	30,497	3,883
Bank deposits (Note 6)	41,92	