

GENERAL ELECTRIC CAPITAL CORP
Form 10-Q
July 29, 2005

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, 2005

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 1-6461

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.)

260 Long Ridge Road, Stamford, CT

(Address of principal executive offices)

06927

(Zip Code)

(Registrant's telephone number, including area code) (203) 357-4000

(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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes [] No [X]

At July 28, 2005, 3,985,403 shares of voting common stock, which constitutes 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 often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the behavior of financial markets, including fluctuations in interest rates and commodity prices; from future integration of acquired businesses; from future financial performance of major industries which we serve including, without limitation, the air and rail transportation, energy generation, real estate and healthcare industries; from unanticipated loss development in our insurance businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory 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.

Restatement

As described in our Annual Report on Form 10-K/A for the year ended December 31, 2004, we restated certain financial statements and other information, including such statements and information for each of the quarters of 2004, with respect to our accounting for certain derivatives transactions not qualifying for accounting purposes as hedges.

(2)

Part I. Financial Information**Item 1. Financial Statements**

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

<i>(In millions)</i>	Three months ended		Six months ended	
	June 30		June 30	
	2005	2004	2005	2004
Revenues				
Revenues from services (note 3)	\$ 15,506	\$ 13,154	\$ 30,999	\$ 27,025
Sales of goods	664	728	1,338	1,304
Total revenues	16,170	13,882	32,337	28,329
Costs and expenses				
Interest	3,607	2,770	7,023	5,394
Operating and administrative	4,917	4,650	9,646	9,389
Cost of goods sold	628	701	1,263	1,252
Insurance losses and policyholder and annuity benefits	1,998	1,696	4,189	3,539
Provision for losses on financing receivables	960	1,003	1,888	1,956
Depreciation and amortization	1,397	1,423	3,023	2,841
Minority interest in net earnings of consolidated affiliates	174	66	294	104
Total costs and expenses	13,681	12,309	27,326	24,475
Earnings before income taxes	2,489	1,573	5,011	3,854
Provision for income taxes	(363)	(170)	(808)	(672)
Net earnings	2,126	1,403	4,203	3,182
Dividends	(1,634)	(1,471)	(1,873)	(1,861)
Retained earnings at beginning of period	36,785	31,224	34,947	29,835
Retained earnings at end of period	\$ 37,277	\$ 31,156	\$ 37,277	\$ 31,156

See "Notes to Condensed, Consolidated Financial Statements."

(3)

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

<i>(In millions)</i>	June 30, 2005 (Unaudited)	December 31, 2004
Assets		
Cash and equivalents	\$ 8,169	\$ 9,840
Investment securities	85,484	86,932
Financing receivables - net (note 4)	272,707	279,588
Insurance receivables - net	27,848	27,183
Other receivables	24,932	21,968
Inventories	219	189
Buildings and equipment, less accumulated amortization of \$20,108 and \$20,459	48,342	46,351
Intangible assets - net (note 5)	25,274	25,426
Other assets	70,595	69,408
Total assets	\$ 563,570	\$ 566,885
Liabilities and equity		
Borrowings (note 6)	\$ 346,445	\$ 352,326
Accounts payable	16,337	17,083
Insurance liabilities, reserves and annuity benefits	103,975	103,890
Other liabilities	21,901	23,253
Deferred income taxes	11,494	10,270
Total liabilities	500,152	506,822
Minority interest in equity of consolidated affiliates	8,766	6,105
Capital stock	59	59
Accumulated gains (losses) - net		
Investment securities	1,026	974
Currency translation adjustments	2,822	4,844
Cash flow hedges	(960)	(1,281)
Minimum pension liabilities		