GENERAL ELECTRIC CO
Form 10-Q
May 08, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2013

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 001-00035

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

New York (State or other jurisdiction of incorporation or organization)	14-0689340 (I.R.S. Employer Identification No.)
3135 Easton Turnpike, Fairfield, CT (Address of principal executive offices)	06828-0001 (Zip Code)

(Registrant's telephone number, including area code) (203) 373-2211

____
(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 þ 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 þ No ¨

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 þ	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 þ

There were 10,340,120,377 shares of common stock with a par value of $0.06 per share outstanding at March 31, 2013.

(1)

General Electric Company

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; potential market disruptions or other impacts arising in the United States or Europe from developments in sovereign debt situations; the impact of conditions in the financial and credit markets on the availability and cost of General Electric Capital Corporation’s (GECC) funding and on our ability to reduce GECC’s 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 (GE Money Japan); pending and future mortgage securitization claims and litigation in connection with WMC, which may affect our estimates of liability, including possible loss estimates; 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 adequacy of our cash flows and earnings and other conditions, which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels; GECC’s ability to pay dividends to GE at the planned level; our ability to convert pre-order commitments into orders; the level of demand and financial performance of the major industries we serve, including, without limitation, air and rail transportation, energy generation, 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; our capital allocation plans, as such plans may change and affect planned share repurchases and strategic actions, including acquisitions, joint ventures and dispositions; our success in completing announced transactions and integrating acquired businesses; the impact of potential information technology or data security breaches; 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.

GE’s Investor Relations website at www.ge.com/investor and our corporate blog at www.gereports.com, as well as GE’s Facebook page and Twitter accounts, contain a significant amount of information about GE, including financial and other information for investors. GE encourages investors to visit these websites from time to time, as information is updated and new information is posted.

(2)

Part I. Financial Information

Item 1. Financial Statements.

General Electric Company and consolidated affiliates

Condensed Statement of Earnings

	Three months ended March 31 (Unaudited)					
	Consolidated		GE(a)		Financial Services (GECC)	
(In millions, except share amounts)	2013	2012	2013	2012	2013	2012
Revenues and other income						
Sales of goods	$ 15,674	$ 17,315	$ 15,677	$ 17,357	$ 26	$ 30
Sales of services	6,513	6,212	6,626	6,330	–	–
Other income	1,615	557	1,620	600	–	–
GECC earnings from continuing operations	–	–	1,927	1,772	–	–
GECC revenues from services	11,208	10,996	–	–	11,509	11,310
Total revenues and other income	35,010	35,080	25,850	26,059	11,535	11,340
Costs and expenses						
Cost of goods sold	12,867	13,465	12,874	13,512	21	25
Cost of services sold	4,449	4,404	4,562	4,522	–	–
Interest and other financial charges	2,621	3,347	324	315	2,400	3,185
Investment contracts, insurance losses and insurance annuity benefits	663	737	–	–	689	771
Provision for losses on financing receivables	1,488	863	–	–	1,488	863
Other costs and expenses	8,796	8,330	4,057	4,003	4,917	4,497
Total costs and expenses	30,884	31,146	21,817	22,352	9,515	9,341
Earnings from continuing operations before income taxes	4,126	3,934	4,033	3,707	2,020	1,999
Benefit (provision) for income taxes	(506)	(665)	(424)	(450)	(82)	(215)
Earnings from continuing operations	3,620	3,269	3,609	3,257	1,938	1,784
Earnings (loss) from discontinued operations, net of taxes	(109)	(197)	(109)	(197)	(109)	(197)

Net earnings		3,511		3,072		3,500		3,060		1,829		1,587
Less net earnings (loss) attributable to noncontrolling interests		(16)		38		(27)		26		11		12
Net earnings attributable to the Company	$	3,527	$	3,034	$	3,527	$	3,034	$	1,818	$	1,575
Amounts attributable to the Company												
Earnings from continuing operations	$	3,636	$	3,231	$	3,636	$	3,231	$	1,927	$	1,772
Earnings (loss) from discontinued operations, net of taxes		(109)		(197)		(109)		(197)		(109)		(197)
Net earnings attributable to the Company	$	3,527	$	3,034	$	3,527	$	3,034	$	1,818	$	1,575
Per-share amounts												
Earnings from continuing operations												
Diluted earnings per share	$	0.35	$	0.30								
Basic earnings per share	$	0.35	$	0.30								
Net earnings												
Diluted earnings per share	$	0.34	$	0.29								
Basic earnings per share	$	0.34	$	0.29								
Dividends declared per common share	$	0.19	$	0.17								

(a) Represents the adding together of all affiliated companies except General Electric Capital Corporation (GECC or Financial Services), which is presented on a one-line basis.

See Note 3 for other-than-temporary impairment amounts.

See accompanying notes. Separate information is shown for “GE” and “Financial Services (GECC).” Transactions between GE and GECC have been eliminated from the “Consolidated” columns.

(3)

General Electric Company and consolidated affiliates
Condensed, Consolidated Statement of Comprehensive Income

	Three months ended March 31 (Unaudited)	
(In millions)	2013	2012
Net earnings	$ 3,511	$ 3,072
Less: net earnings (loss) attributable to noncontrolling interests	(16)	38
Net earnings attributable to GE	$ 3,527	$ 3,034
Other comprehensive income		
Investment securities	$ 68	$ 333
Currency translation adjustments	(459)	354
Cash flow hedges	102	124
Benefit plans	853	1,038
Other comprehensive income	564	1,849
Less: other comprehensive income (loss) attributable to noncontrolling interests	(2)	8
Other comprehensive income attributable to GE	$ 566	$ 1,841
Comprehensive income	$ 4,075	$ 4,921
Less: comprehensive income (loss) attributable to noncontrolling interests	(18)	46
Comprehensive income attributable to GE	$ 4,093	$ 4,875

Amounts presented net of taxes. See Note 12 for further information about other comprehensive income and noncontrolling interests.

See accompanying notes.

General Electric Company and consolidated affiliates
Condensed, Consolidated Statement of Changes in Shareowners' Equity

	Three months ended March 31 (Unaudited)	
(In millions)	2013	2012
GE shareowners' equity balance at January 1	$ 123,026	$ 116,438
Increases from net earnings attributable to GE	3,527	3,034
Dividends and other transactions with shareowners	(1,974)	(1,801)
Other comprehensive income (loss) attributable to GE	566	1,841

Net sales (purchases) of shares for treasury		(1,422)		454
Changes in other capital		(9)		(99)
Ending balance at March 31		123,714		119,867
Noncontrolling interests		5,336		1,721
Total equity balance at March 31	$	129,050	$	121,588

See Note 12 for further information about changes in shareowners' equity.

See accompanying notes.

(4)

General Electric Company and consolidated affiliates
Condensed Statement of Financial Position

	Consolidated		GE(a)		Financial Services (GECC)	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
(In millions, except share amounts)	2013	2012	2013	2012	2013	2012
	(Unaudited)		(Unaudited)		(Unaudited)	
Assets						
Cash and equivalents	$ 89,781	$ 77,357	$ 22,074	$ 15,509	$ 67,721	$ 61,942
Investment securities	48,329	48,510	71	74	48,261	48,439
Current receivables	21,001	21,500	11,463	10,872	–	–
Inventories	16,281	15,374	16,201	15,295	80	79
Financing receivables – net	248,455	258,028	–	–	258,324	268,951
Other GECC receivables	8,664	7,890	–	–	14,400	13,917
Property, plant and equipment – net	68,411	69,044	15,918	16,033	52,452	52,974
Investment in GECC	–	–	79,922	77,930	–	–
Goodwill	72,737	73,175	45,842	46,143	26,895	27,032
Other intangible assets – net	11,818	11,987	10,513	10,700	1,311	1,294
All other assets	77,948	100,061	20,072	37,936	58,047	62,201
Deferred income taxes	5,076	(42)	10,598	5,946	(5,522)	(5,988)
Assets of businesses held for sale	324	211	153	–	171	211
Assets of discontinued operations	1,865	2,308	9	9	1,856	2,299
Total assets(b)	$ 670,690	$ 685,403	$ 232,836	$ 236,447	$ 523,996	$ 533,351
Liabilities and equity						
Short-term borrowings	$ 83,127	$ 101,392	$ 905	$ 6,041	$ 82,662	$ 95,940
Accounts payable, principally trade accounts	16,130	15,657	14,071	14,259	7,079	6,259
Progress collections and price adjustments accrued	11,337	10,877	11,337	10,877	–	–
Dividends payable	1,971	1,980	1,971	1,980	–	–
Other GE current liabilities	15,943	14,895	15,944	14,896	–	–
Non-recourse borrowings of consolidated securitization entities	30,488	30,123	–	–	30,488	30,123
Bank deposits	49,427	46,461	–	–	49,427	46,461
Long-term borrowings	234,299	236,084	11,418	11,428	223,001	224,776
Investment contracts, insurance liabilities and insurance annuity benefits	28,093	28,268	–	–	28,681	28,696
All other liabilities	68,404	68,588	52,577	53,093	15,878	15,961

Liabilities of businesses held for sale	45	157	41	–	4	157
Liabilities of discontinued operations	2,376	2,451	69	70	2,307	2,381
Total liabilities(b)	541,640	556,933	108,333	112,644	439,527	450,754
GECC preferred stock (40,000 shares outstanding at both March 31, 2013 and December 31, 2012)	–	–	–	–	–	–
Common stock (10,340,120,000 and 10,405,625,000 shares outstanding at March 31, 2013 and December 31, 2012, respectively)	702	702	702	702	–	–
Accumulated other comprehensive income (loss) – net(c)						
Investment securities	744	677	744	677	738	673
Currency translation adjustments	(43)	412	(43)	412	(119)	(131)
Cash flow hedges	(620)	(722)	(620)	(722)	(654)	(746)
Benefit plans	(19,745)	(20,597)	(19,745)	(20,597)	(723)	(736)
Other capital	33,061	33,070	33,061	33,070	31,578	31,586
Retained earnings	145,608	144,055	145,608	144,055	53,062	51,244
Less common stock held in treasury	(35,993)	(34,571)	(35,993)	(34,571)	–	–
Total GE shareowners' equity	123,714	123,026	123,714	123,026	83,882	81,890
Noncontrolling interests(d)	5,336	5,444	789	777	587	707
Total equity	129,050	128,470	124,503	123,803	84,469	82,597
Total liabilities and equity	$ 670,690	$ 685,403	$ 232,836	$ 236,447	$ 523,996	$ 533,351

(a) Represents the adding together of all affiliated companies except General Electric Capital Corporation (GECC or Financial Services), which is presented on a one-line basis.

(b) Our consolidated assets at March 31, 2013 include total assets of $46,976 million of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs. These assets include net financing receivables of $40,079 million and investment securities of $4,494 million. Our consolidated liabilities at March 31, 2013 include liabilities of certain VIEs for which the VIE creditors do not have recourse to GE. These liabilities include non-recourse borrowings of consolidated securitization entities (CSEs) of $29,187 million. See Note 18.

(c) The sum of accumulated other comprehensive income (loss) attributable to GE was $(19,664) million and $(20,230) million at March 31, 2013 and December 31, 2012, respectively.

(d) Included accumulated other comprehensive income (loss) attributable to noncontrolling interests of $(157) million and $(155) million at March 31, 2013 and December 31, 2012, respectively.

See accompanying notes. Separate information is shown for "GE" and "Financial Services (GECC)." Transactions between GE and GECC have been eliminated from the "Consolidated" columns.

(5)

General Electric Company and consolidated affiliates
Condensed Statement of Cash Flows

	Three months ended March 31 (Unaudited)					
	Consolidated		GE(a)		Financial Services (GECC)	
(In millions)	2013	2012	2013	2012	2013	2012
Cash flows – operating activities						
Net earnings	$ 3,511	$ 3,072	$ 3,500	$ 3,060	$ 1,829	$ 1,587
Less net earnings (loss) attributable to noncontrolling interests	(16)	38	(27)	26	11	12
Net earnings attributable to the Company	3,527	3,034	3,527	3,034	1,818	1,575
(Earnings) loss from discontinued operations	109	197	109	197	109	197
Adjustments to reconcile net earnings attributable to the Company to cash provided from operating activities						
Depreciation and amortization of property, plant and equipment	2,310	2,220	612	568	1,698	1,652
Earnings from continuing operations retained by GECC(b)	–	–	(1,927)	(1,772)	–	–
Deferred income taxes	(1,512)	52	(1,762)	(156)	250	208
Decrease (increase) in GE current receivables	463	463	(734)	345	–	–
Decrease (increase) in inventories	(977)	(1,433)	(963)	(1,432)	(1)	9
Increase (decrease) in accounts payable	747	856	134	499	611	574
Increase (decrease) in GE progress collections	598	101	598	101	–	–
Provision for losses on GECC financing receivables	1,488	863	–	–	1,488	863
All other operating activities	(2,029)	140	606	675	(2,806)	(397)
Cash from (used for) operating activities – continuing operations	4,724	6,493	200	2,059	3,167	4,681
Cash from (used for) operating activities – discontinued operations	(114)	(27)	(2)	–	(112)	(27)
Cash from (used for) operating activities	4,610	6,466	198	2,059	3,055	4,654

Cash flows – investing activities						
Additions to property, plant and equipment	(3,644)	(3,286)	(975)	(1,002)	(2,696)	(2,328)
Dispositions of property, plant and equipment	829	1,819	–	–	829	1,819
Net decrease (increase) in GECC financing receivables	5,172	6,462	–	–	6,289	6,566
Proceeds from principal business dispositions	272	84	111	–	161	84
Proceeds from sale of equity interest in NBCU LLC	16,699	–	16,699	–	–	–
Net cash from (payments for) principal businesses purchased	6,383	(190)	(9)	(190)	6,392	–
All other investing activities	5,659	404	(249)	232	6,231	284
Cash from (used for) investing activities – continuing operations	31,370	5,293	15,577	(960)	17,206	6,425
Cash from (used for) investing activities – discontinued operations	115	26	2	–	113	26
Cash from (used for) investing activities	31,485	5,319	15,579	(960)	17,319	6,451
Cash flows – financing activities						
Net increase (decrease) in borrowings (maturities of 90 days or less)	(9,849)	(814)	(529)	166	(9,457)	(1,259)
Net increase (decrease) in bank deposits	(3,252)	(2,641)	–	–	(3,252)	(2,641)
Newly issued debt (maturities longer than 90 days)	17,521	17,070	92	74	17,430	16,767
Repayments and other reductions (maturities longer than 90 days)	(23,465)	(25,326)	(5,013)	(44)	(18,452)	(25,282)
Net dispositions (purchases) of GE shares for treasury	(1,733)	127	(1,733)	127	–	–
Dividends paid to shareowners	(1,983)	(1,799)	(1,983)	(1,799)	–	–
All other financing activities	(195)	(216)	(29)	(63)	(166)	(153)
Cash from (used for) financing activities – continuing operations	(22,956)	(13,599)	(9,195)	(1,539)	(13,897)	(12,568)
Cash from (used for) financing activities – discontinued operations	–	–	–	–	–	–
Cash from (used for) financing activities	(22,956)	(13,599)	(9,195)	(1,539)	(13,897)	(12,568)
Effect of currency exchange rate changes on cash						

and equivalents	(714)	962	(17)	37	(697)	925
Increase (decrease) in cash and equivalents	12,425	(852)	6,565	(403)	5,780	(538)
Cash and equivalents at beginning of year	77,459	84,622	15,509	8,382	62,044	76,823
Cash and equivalents at March 31	89,884	83,770	22,074	7,979	67,824	76,285
Less cash and equivalents of discontinued operations						
at March 31	103	120	–	–	103	120
Cash and equivalents of continuing operations						
at March 31	$ 89,781	$ 83,650	$ 22,074	$ 7,979	$ 67,721	$ 76,165

(a) Represents the adding together of all affiliated companies except General Electric Capital Corporation (GECC or Financial Services), which is presented on a one-line basis.

(b) Represents GECC earnings from continuing operations attributable to the Company, net of GECC dividends paid to GE.

See accompanying notes. Separate information is shown for "GE" and "Financial Services (GECC)." Transactions between GE and GECC have been eliminated from the "Consolidated" columns and are discussed in Note 19.

(6)

Summary of Operating Segments
General Electric Company and consolidated affiliates

	Three months ended March 31 (Unaudited)			
(In millions)		2013		2012
Revenues(a)				
Power & Water	$	4,825	$	6,551
Oil & Gas		3,399		3,406
Energy Management		1,748		1,722
Aviation		5,074		4,891
Healthcare		4,289		4,300
Transportation		1,422		1,270
Home & Business Solutions		1,917		1,915
Total industrial segment revenues		22,674		24,055
GE Capital		11,535		11,340
Total segment revenues		34,209		35,395
Corporate items and eliminations(a)		801		(315)
Consolidated revenues and other income	$	35,010	$	35,080
Segment profit(a)				
Power & Water	$	719	$	1,188
Oil & Gas		325		340
Energy Management		15		21
Aviation		936		862
Healthcare		595		585
Transportation		267		232
Home & Business Solutions		79		57
Total industrial segment profit		2,936		3,285
GE Capital		1,927		1,772
Total segment profit		4,863		5,057
Corporate items and eliminations(a)		(479)		(1,061)
GE interest and other financial charges		(324)		(315)
GE provision for income taxes		(424)		(450)
Earnings from continuing operations attributable to the Company		3,636		3,231
Earnings (loss) from discontinued operations, net of taxes, attributable to the Company		(109)		(197)
Consolidated net earnings attributable to the Company	$	3,527	$	3,034

(a)

Segment revenues includes both revenues and other income related to the segment. Segment profit excludes results reported as discontinued operations, earnings attributable to noncontrolling interests of consolidated subsidiaries, GECC preferred stock dividends declared and accounting changes. Segment profit excludes or includes interest and other financial charges and income taxes according to how a particular segment's management is measured – excluded in determining segment profit, which we sometimes refer to as "operating profit," for Power & Water, Oil & Gas, Energy Management, Aviation, Healthcare, Transportation and Home & Business Solutions; included in determining segment profit, which we sometimes refer to as "net earnings," for GE Capital.

See accompanying notes.

(7)

Notes to Condensed, Consolidated Financial Statements (Unaudited)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed, consolidated financial statements represent the consolidation of General Electric Company (the Company) and all companies that we directly or indirectly control, either through majority ownership or otherwise. See Note 1 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (2012 consolidated financial statements), which discusses our consolidation and financial statement presentation. As used in this report on Form 10-Q (Report), "GE" represents the adding together of all affiliated companies except General Electric Capital Corporation (GECC or Financial Services), whose continuing operations are presented on a one-line basis; GECC consists of General Electric Capital Corporation and all of its affiliates; and "Consolidated" represents the adding together of GE and GECC with the effects of transactions between the two eliminated. Unless otherwise indicated, we refer to the caption revenues and other income simply as "revenues" throughout Item 1 of this Form 10-Q.

We have reclassified certain prior-period amounts to conform to the current-period presentation. Unless otherwise indicated, information in these notes to the condensed, consolidated financial statements relates to continuing operations.

Accounting Changes

On January 1, 2012, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2011-05, an amendment to Accounting Standards Codification (ASC) 220, Comprehensive Income. ASU 2011-05 introduced a new statement, the Consolidated Statement of Comprehensive Income. The amendments affect only the display of those components of equity categorized as other comprehensive income and do not change existing recognition and measurement requirements that determine net earnings.

On January 1, 2012, we adopted FASB ASU 2011-04, an amendment to ASC 820, Fair Value Measurements. ASU 2011-04 clarifies or changes the application of existing fair value measurements, including: that the highest and best use valuation premise in a fair value measurement is relevant only when measuring the fair value of nonfinancial assets; that a reporting entity should measure the fair value of its own equity instrument from the perspective of a market participant that holds that instrument as an asset; to permit an entity to measure the fair value of certain financial instruments on a net basis rather than based on its gross exposure when the reporting entity manages its financial instruments on the basis of such net exposure; that in the absence of a Level 1 input, a reporting entity should apply premiums and discounts when market participants would do so when pricing the asset or liability consistent with the unit of account; and that premiums and discounts related to size as a characteristic of the reporting entity's holding are not permitted in a fair value measurement. Adopting these amendments had no effect on the financial statements. For a description of how we estimate fair value and our process for reviewing fair value measurements classified as Level 3 in the fair value hierarchy, see Note 1 in our 2012 consolidated financial statements.

See Note 1 in our 2012 consolidated financial statements for a summary of our significant accounting policies.

Interim Period Presentation

The condensed, consolidated financial statements and notes thereto are unaudited. These statements include all adjustments (consisting of normal recurring accruals) that we considered necessary to present a fair statement of our results of operations, financial position and cash flows. The results reported in these condensed, consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. It is suggested that these condensed, consolidated financial statements be read in conjunction with the financial statements and notes thereto included in our 2012 consolidated financial statements. We label our quarterly information using a calendar convention, that is, first quarter is labeled as ending on March 31, second quarter as ending on June 30, and third quarter as ending on September 30. It is our longstanding practice to establish interim quarterly closing dates using a fiscal calendar, which requires our businesses to close their books on either a Saturday or Sunday, depending on the business. The effects of this practice are modest and only exist within a reporting year. The fiscal closing calendar for 2013 is available on our website, www.ge.com/secreports.

2. ASSETS AND LIABILITIES OF BUSINESSES HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and Liabilities of Businesses Held for Sale

In the first quarter of 2013, we committed to sell certain of our machining and fabrication businesses at Aviation and our Consumer auto and personal loan business in Portugal.

In the second quarter of 2012, we committed to sell a portion of our Business Properties portfolio (Business Property) in Real Estate, including certain commercial loans, the origination and servicing platforms and the servicing rights on loans previously securitized by GECC. We completed the sale of Business Property on October 1, 2012 for proceeds of $2,406 million. We deconsolidated substantially all Real Estate securitization entities in the fourth quarter of 2012 as servicing rights related to these entities were transferred to the buyer at closing.

Summarized financial information for businesses held for sale is shown below.

	At	
(In millions)	March 31, 2013	December 31, 2012
Assets		
Cash and equivalents	$ 10	$ 74
Financing receivables – net	117	47
Property, plant and equipment – net	27	31
Other intangible assets – net	46	9
Other	124	50
Assets of businesses held for sale	$ 324	$ 211
Liabilities		
Short-term borrowings	$ –	$ 138
Other	45	19
Liabilities of businesses held for sale	$ 45	$ 157

(9)

NBCU

On March 19, 2013, we closed a transaction to sell our remaining 49% common equity interest in NBCUniversal LLC (NBCU LLC) to Comcast Corporation (Comcast) for total consideration of $16,722 million, consisting of $11,997 million in cash, $4,000 million in Comcast guaranteed debt and $725 million in preferred stock. The $4,000 million of debt and the $725 million of preferred shares were both issued by a wholly-owned subsidiary of Comcast. Subsequent to the closing of the transaction, both of these instruments were sold at approximately par value. In addition, Comcast is obligated to share with us potential tax savings associated with Comcast's purchase of our NBCU LLC interest, if realized. We did not recognize these potential future payments as consideration for the sale, but will record such payments in income as they are received. GECC also sold real estate comprising certain floors located at 30 Rockefeller Center, New York and the CNBC property located in Englewood Cliffs, New Jersey to affiliates of NBCU LLC for $1,430 million in cash.

As a result of the transactions, we recognized a pre-tax gain of $1,096 million ($825 million after tax) on the sale of our 49% common equity interest in NBCU LLC and $921 million ($564 million after tax) on the sale of GECC's real estate properties.

Discontinued Operations

Discontinued operations primarily comprised GE Money Japan (our Japanese personal loan business, Lake, and our Japanese mortgage and card businesses, excluding our investment in GE Nissen Credit Co., Ltd.), our U.S. mortgage business (WMC), our Consumer mortgage lending business in Ireland (Consumer Ireland) and our CLL trailer services business in Europe (CLL Trailer Services). Associated results of operations, financial position and cash flows are separately reported as discontinued operations for all periods presented.

Summarized financial information for discontinued operations is shown below.

	Three months ended March 31	
(In millions)	2013	2012
Operations		
Total revenues and other income (loss)	$ (13)	$ 101
Earnings (loss) from discontinued operations before income taxes	$ (128)	$ (66)
Benefit (provision) for income taxes	121	34
Earnings (loss) from discontinued operations, net of taxes	$ (7)	$ (32)
Disposal		
Gain (loss) on disposal before income taxes	$ (187)	$ (194)
Benefit (provision) for income taxes	85	29
Gain (loss) on disposal, net of taxes	$ (102)	$ (165)
Earnings (loss) from discontinued operations, net of taxes(a)	$ (109)	$ (197)

(a) The sum of GE industrial earnings (loss) from discontinued operations, net of taxes, and GECC earnings (loss) from discontinued operations, net of taxes, is reported as GE earnings (loss) from discontinued operations, net of taxes, on the Condensed Statement of Earnings.

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(In millions)	At March 31, 2013	December 31, 2012
Assets		
Cash and equivalents	$ 103	$ 102
Property, plant and equipment - net	520	699
Other	1,242	1,507
Assets of discontinued operations	$ 1,865	$ 2,308
Liabilities		
Deferred income taxes	$ 372	$ 372
Other	2,004	2,079
Liabilities of discontinued operations	$ 2,376	$ 2,451

Assets at March 31, 2013 and December 31, 2012 primarily comprised cash, property, plant and equipment - net and a deferred tax asset for a loss carryforward, which expires principally in 2017 and in part in 2019, related to the sale of our GE Money Japan business.

GE Money Japan

During the third quarter of 2008, we completed the sale of GE Money Japan, which included our Japanese personal loan business. Under the terms of the sale, we reduced the proceeds for estimated refund claims in excess of the statutory interest rate. Proceeds from the sale were to be increased or decreased based on the actual claims experienced in accordance with loss-sharing terms specified in the sale agreement, with all claims in excess of 258 billion Japanese yen (approximately $3,000 million) remaining our responsibility. The underlying portfolio to which this obligation relates is in runoff and interest rates were capped for all designated accounts by mid-2009. In the third quarter of 2010, we were required to begin making reimbursements under this arrangement.

Overall, excess interest refund claims experience has been difficult to predict and subject to several adverse factors, including the challenging global economic conditions over the last few years, the financial status of other Japanese personal lenders (including the 2010 bankruptcy of a large independent personal loan company), substantial ongoing legal advertising, and consumer behavior. Our reserves declined from $700 million at December 31, 2012, to $561 million at March 31, 2013, as the effects of a strengthening U.S. dollar against the Japanese yen and claim payments were partially offset by a first quarter increase to reserves of $50 million. In determining reserve levels, we consider analyses of recent and historical claims experience, as well as pending and estimated future refund requests, adjusted for the estimated percentage of customers who present valid requests and associated estimated payments. We determined our reserve assuming the pace of incoming claims will decelerate, that average exposure per claim remains consistent with recent experience, and that we continue to see the impact of loss mitigation efforts. Since our disposition of the business, incoming claims have continued to decline, however, it is highly variable and difficult to predict the pace and pattern of that decline and such assumptions have a significant effect on the total amount of our liability. Holding all other assumptions constant, an adverse change of 20% and 50% in assumed incoming daily claim rate reduction (resulting in an extension of the claim period and higher incoming claims), would result in an increase to our reserve of approximately $75 million and $400 million, respectively. We continue to closely monitor and evaluate claims activity.

Based on the uncertainties discussed above, and considering other environmental factors in Japan, including the runoff status of the underlying book of business, challenging economic conditions, the impact of laws and regulations (including consideration of proposed legislation that could impose a framework for collective legal action proceedings), and the financial status of other local personal lending companies, it is difficult to develop a meaningful estimate of the aggregate possible claims exposure. These uncertainties and factors could have an adverse effect on claims development.

GE Money Japan earnings (loss) from discontinued operations, net of taxes, were $(51) million and $(27) million in the three months ended March 31, 2013 and 2012, respectively.

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WMC

During the fourth quarter of 2007, we completed the sale of WMC, our U.S. mortgage business. WMC substantially discontinued all new loan originations by the second quarter of 2007, and is not a loan servicer. In connection with the sale, WMC retained certain representation and warranty obligations related to loans sold to third parties prior to the disposal of the business and contractual obligations to repurchase previously sold loans as to which there was an early payment default. All claims received by WMC for early payment default have either been resolved or are no longer being pursued.

Pending repurchase claims based upon representations and warranties made in connection with loan sales were $6,210 million at March 31, 2013, $5,357 million at December 31, 2012 and $705 million at December 31, 2011. Pending claims represent those active repurchase claims that identify the specific loans tendered for repurchase and, for each loan, the alleged breach of a representation or warranty. As such, they do not include unspecified repurchase claims, such as the Litigation Claims discussed below, or claims relating to breaches of representations that were made more than six years before WMC was notified of the claim. WMC believes that these repurchase claims do not meet the substantive and procedural requirements for tender under the governing agreements, would be barred from being enforced in legal proceedings under applicable statutes of limitations or are otherwise invalid. The amounts reported in pending claims reflect the purchase price or unpaid principal balances of the loans at the time of purchase and do not give effect to pay downs, accrued interest or fees, or potential recoveries based upon the underlying collateral. Historically, a small percentage of the total loans WMC originated and sold have qualified as "validly tendered," meaning there was a breach of a representation and warranty that materially and adversely affects the value of the loan, and the demanding party met all other procedural and substantive requirements for repurchase.

Reserves related to WMC pending and estimated future loan repurchase claims were $740 million at March 31, 2013, reflecting an increase to reserves in the first quarter of 2013 of $107 million due to incremental claim activity and updates to WMC's estimate of future losses. The amount of these reserves is based upon pending and estimated future loan repurchase requests and WMC's historical loss experience and evaluation of claim activity on loans tendered for repurchase.

The following table provides a roll forward of the reserve and pending claims for WMC representation and warranty obligations.

(In millions)		Reserve at March 31, 2013	(In millions)		Pending claims at March 31, 2013
Reserve, beginning of period	$	633	Pending claims, beginning of period	$	5,357
Provision		107	New claims		853
Claim resolutions		–	Claim resolutions		–
Reserve, end of period	$	740	Pending claims, end of period	$	6,210

Given the significant recent activity in pending claims and related litigation filed in connection with such claims, it is difficult to assess whether future losses will be consistent with WMC's past experience. Adverse changes to WMC's assumptions supporting the reserve for pending and estimated future loan repurchase claims may result in an increase to these reserves. For example, a 50% increase to the estimate of future loan repurchase requests and a 100% increase to the estimated loss rate on loans tendered, would result in an increase to the reserves of approximately $700 million.

There are 16 lawsuits involving pending repurchase claims on loans included in 13 securitizations. WMC initiated four of the cases as the plaintiff; in the other cases WMC is a defendant. The adverse parties in these cases are securitization trustees or parties claiming to act on their behalf. In nine of these lawsuits, the adverse parties seek relief for mortgage loans beyond those included in WMC's previously discussed pending claims at March 31, 2013 (Litigation Claims). These Litigation Claims consist of sampling-based claims in two cases on approximately $900 million of mortgage loans and, in the other seven cases, claims for repurchase or damages based on the alleged

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failure to provide notice of defective loans, breach of a corporate representation and warranty, and/or non-specific claims for rescissionary damages on approximately $3,100 million of mortgage loans. These claims reflect the purchase price or unpaid principal balances of the loans at the time of purchase and do not give effect to pay downs, accrued interest or fees, or potential recoveries based upon the underlying collateral. As noted above, WMC believes that the Litigation Claims are disallowed by the governing agreements and applicable law. As a result, WMC has not included the Litigation Claims in its pending claims or in its estimates of future loan repurchase requests and holds no related reserve as of March 31, 2013.

At this point, WMC is unable to develop a meaningful estimate of reasonably possible loss in connection with the Litigation Claims described above due to a number of factors, including the extent to which courts will agree with the theories supporting the Litigation Claims. Specifically, while several courts in cases not involving WMC have supported some of those theories, other courts have rejected them. In addition, WMC lacks experience resolving such claims, and there are few public industry settlements that may serve as benchmarks to estimate a reasonably possible loss. An adverse court decision on any of the theories supporting the Litigation Claims could increase WMC's exposure in some or all of the 16 lawsuits and result in additional claims and lawsuits. However, WMC believes that it has defenses to all the claims asserted in litigation, including, for example, causation and materiality requirements, limitations on remedies for breach of representations and warranties, and the applicable statutes of limitations. To the extent WMC is required to repurchase loans, WMC's loss also would be affected by several factors, including pay downs, accrued interest and fees, and the value of the underlying collateral. It is not possible to predict the outcome or impact of these defenses and other factors, any one of which could materially affect the amount of any loss ultimately incurred by WMC on these claims.

WMC has received claims on approximately $900 million of mortgage loans after the expiration of the six-year statute of limitations as of March 31, 2013. WMC has also received unspecified indemnification demands from depositors/underwriters/sponsors of residential mortgage-backed securities (RMBS) in connection with lawsuits brought by RMBS investors concerning alleged misrepresentations in the securitization offering documents to which WMC is not a party. WMC believes that it has defenses to these demands.

The reserve estimates reflect judgment, based on currently available information, and a number of assumptions, including economic conditions, claim activity, pending and threatened litigation, indemnification demands, estimated repurchase rates, and other activity in the mortgage industry. Actual losses arising from claims against WMC could exceed the reserve amount if actual claim rates, governmental actions, litigation and indemnification activity, adverse court decisions, settlement activity, actual repurchase rates or losses WMC incurs on repurchased loans differ from its assumptions. It is difficult to develop a meaningful estimate of aggregate possible claims exposure because of uncertainties surrounding economic conditions, the ability and propensity of mortgage holders to present valid claims, governmental actions, mortgage industry activity and litigation, as well as pending and threatened litigation and indemnification demands against WMC.

WMC revenues and other income (loss) from discontinued operations were $(107) million and $(7) million in the three months ended March 31, 2013 and 2012, respectively. WMC's losses from discontinued operations, net of taxes, were $71 million and $9 million in the three months ended March 31, 2013 and 2012, respectively.

Other Financial Services

In the first quarter of 2013, we announced the planned disposition of CLL Trailer Services and classified the business as discontinued operations. CLL Trailer Services revenues and other income (loss) from discontinued operations were $93 million and $102 million in the three months ended March 31, 2013 and 2012, respectively. CLL Trailer Services earnings (loss) from discontinued operations, net of taxes, were $14 million (including a $53 million loss on disposal) and $20 million in the three months ended March 31, 2013 and 2012, respectively.

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In the first quarter of 2012, we announced the planned disposition of Consumer Ireland and classified the business as discontinued operations. We completed the sale in the third quarter of 2012 for proceeds of $227 million. Consumer Ireland revenues and other income (loss) from discontinued operations were an insignificant amount and $4 million in the three months ended March 31, 2013 and 2012, respectively. Consumer Ireland earnings (loss) from discontinued operations, net of taxes, were $1 million and $(188) million (including a $147 million loss on disposal) in the three months ended March 31, 2013 and 2012, respectively.

GE Industrial

GE Industrial earnings (loss) from discontinued operations, net of taxes, were insignificant amounts in both the three months ended March 31, 2013 and 2012. The sum of GE industrial earnings (loss) from discontinued operations, net of taxes, and GECC earnings (loss) from discontinued operations, net of taxes, is reported as GE industrial earnings (loss) from discontinued operations, net of taxes, on the Condensed Statement of Earnings

3. INVESTMENT SECURITIES

Substantially all of our investment securities are classified as available-for-sale. These comprise mainly investment grade debt securities supporting obligations to annuitants, policyholders and holders of guaranteed investment contracts (GICs) in our run-off insurance operations and Trinity, investment securities at our treasury operations and investments held in our Commercial Lending and Leasing (CLL) business collateralized by senior secured loans of high-quality, middle-market companies in a variety of industries. We do not have any securities classified as held-to-maturity.

	March 31, 2013				December 31, 2012			
(In millions)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
GE								
Debt								
U.S. corporate	$ 28	$ 1	$ –	$ 29	$ 39	$ –	$ –	$ 39
Corporate – non-U.S.	12	1	–	13	6	–	–	6
Equity								
Available-for-sale	15	1	–	16	26	–	–	26
Trading	13	–	–	13	3	–	–	3
	68	3	–	71	74	–	–	74
GECC								
Debt								
U.S. corporate	20,098	3,889	(88)	23,899	20,233	4,201	(302)	24,132
State and municipal	4,207	553	(112)	4,648	4,084	575	(113)	4,546
Residential mortgage-backed(a)	2,123	184	(90)	2,217	2,198	183	(119)	2,262
	2,941	263	(78)	3,126	2,930	259	(95)	3,094

Commercial mortgage-backed								
Asset-backed	5,621	36	(55)	5,602	5,784	31	(77)	5,738
Corporate – non-U.S.	2,409	155	(110)	2,454	2,391	150	(126)	2,415
Government – non-U.S.	1,904	131	(3)	2,032	1,617	149	(3)	1,763
U.S. government and federal agency	3,404	86	–	3,490	3,462	103	–	3,565
Retained interests	74	17	–	91	76	7	–	83
Equity								
Available-for-sale	404	122	(10)	516	513	86	(3)	596
Trading	186	–	–	186	245	–	–	245
	43,371	5,436	(546)	48,261	43,533	5,744	(838)	48,439
Eliminations	(3)	–	–	(3)	(3)	–	–	(3)
Total	$ 43,436	$ 5,439	$ (546)	$ 48,329	$ 43,604	$ 5,744	$ (838)	$ 48,510

(a) Substantially collateralized by U.S. mortgages. Of our total RMBS portfolio at March 31, 2013, $1,413 million relates to securities issued by government-sponsored entities and $804 million relates to securities of private label issuers. Securities issued by private label issuers are collateralized primarily by pools of individual direct mortgage loans of financial institutions.

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The fair value of investment securities decreased to $48,329 million at March 31, 2013, from $48,510 million at December 31, 2012, primarily due to the impact of higher interest rates.

The following tables present the estimated fair values and gross unrealized losses of our available-for-sale investment securities.

	In loss position for			
	Less than 12 months		12 months or more	
(In millions)	Estimated fair value	Gross unrealized losses(a)	Estimated fair value	Gross unrealized losses(a)
March 31, 2013				
Debt				
U.S. corporate	$ 722	$ (15)	$ 414	$ (73)
State and municipal	232	(4)	327	(108)
Residential mortgage-backed	96	(1)	663	(89)
Commercial mortgage-backed	117	(1)	921	(77)
Asset-backed	11	(1)	568	(54)
Corporate – non-U.S.	240	(4)	606	(106)
Government – non-U.S.	554	(1)	38	(2)
U.S. government and federal agency	253	–	–	–
Retained interests	5	–	–	–
Equity	22	(10)	–	–
Total	$ 2,252	$ (37)	$ 3,537	$ (509)
December 31, 2012				
Debt				
U.S. corporate	$ 434	$ (7)	$ 813	$ (295)
State and municipal	146	(2)	326	(111)
Residential mortgage-backed	98	(1)	691	(118)
Commercial mortgage-backed	37	–	979	(95)
Asset-backed	18	(1)	658	(76)
Corporate – non-U.S.	167	(8)	602	(118)
Government – non-U.S.	201	(1)	37	(2)
U.S. government and federal agency	–	–	–	–
Retained interests	3	–	–	–
Equity	26	(3)	–	–
Total	$ 1,130	$ (23)	$ 4,106	$ (815)

(a) Includes gross unrealized losses at March 31, 2013 of $(111) million related to securities that had other-than-temporary impairments previously recognized.

We regularly review investment securities for impairment using both qualitative and quantitative criteria. We presently do not intend to sell the vast majority of our debt securities that are in an unrealized loss position and believe that it is not more likely than not that we will be required to sell these securities before recovery of our amortized cost. We believe that the unrealized loss associated with our equity securities will be recovered within the foreseeable future. The methodologies and significant inputs used to measure the amount of credit loss for our investment securities during the three months ended March 31, 2013 have not changed from those described in Note 3 in our 2012 consolidated financial statements.

During the three months ended March 31, 2013, we recognized pre-tax, other-than-temporary impairments of $302 million, of which $291 million was recorded through earnings ($1 million relates to equity securities) and $11 million was recorded in accumulated other comprehensive income (loss) (AOCI). At January 1, 2013, cumulative impairments recognized in earnings associated with debt securities still held were $588 million. During the three months ended March 31, 2013, we recognized first-time impairments of $263 million and incremental charges on previously impaired securities of $12 million. These amounts included $1 million related to securities that were subsequently sold.

During the three months ended March 31, 2012, we recognized pre-tax, other-than-temporary impairments of $32 million, which were recorded through earnings, of which $7 million relates to equity securities. At January 1, 2012, cumulative impairments recognized in earnings associated with debt securities still held were $726 million. During the three months ended March 31, 2012, we recognized first-time impairments of $7 million and incremental charges on previously impaired securities of $5 million. These amounts included $136 million related to securities that were subsequently sold.

Contractual Maturities of Investment in
Available-for-Sale Debt Securities (Excluding
Mortgage-Backed and Asset-Backed Securities)

(In millions)		Amortized cost		Estimated fair value
Due				
Within one year	$	2,969	$	2,985
After one year through five years		5,982		6,233
After five years through ten years		5,278		5,769
After ten years		17,833		21,578

We expect actual maturities to differ from contractual maturities because borrowers have the right to call or prepay certain obligations.

Supplemental information about gross realized gains and losses on available-for-sale investment securities follows.

	Three months ended March 31			
(In millions)		2013		2012
GE				
Gains	$	1	$	–
Losses, including impairments		(13)		–
Net		(12)		–
GECC				
Gains		62		38
Losses, including impairments		(278)		(70)
Net		(216)		(32)
Total	$	(228)	$	(32)

Although we generally do not have the intent to sell any specific securities at the end of the period, in the ordinary course of managing our investment securities portfolio, we may sell securities prior to their maturities for a variety of reasons, including diversification, credit quality, yield and liquidity requirements and the funding of claims and obligations to policyholders. In some of our bank subsidiaries, we maintain a certain level of purchases and sales volume principally of non-U.S. government debt securities. In these situations, fair value approximates carrying value for these securities.

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Proceeds from investment securities sales and early redemptions by issuers totaled $6,801 million and $3,762 million in the three months ended March 31, 2013 and 2012, respectively, principally from the sales of short-term securities in our bank subsidiaries and treasury operations.

We recognized pre-tax gains (losses) on trading securities of $42 million and $(23) million in the three months ended March 31, 2013 and 2012, respectively.

4. INVENTORIES

	At	
(In millions)	March 31, 2013	December 31, 2012
Raw materials and work in process	$ 9,738	$ 9,295
Finished goods	6,462	6,099
Unbilled shipments	467	378
	16,667	15,772
Less revaluation to LIFO	(386)	(398)
Total	$ 16,281	$ 15,374

5. GECC FINANCING RECEIVABLES AND ALLOWANCE FOR LOSSES ON FINANCING RECEIVABLES

	At	
(In millions)	March 31, 2013	December 31, 2012
Loans, net of deferred income(a)	$232,456	$241,465
Investment in financing leases, net of deferred income	31,227	32,471
	263,683	273,936
Less allowance for losses	(5,359)	(4,985)
Financing receivables – net(b)	$258,324	$268,951

(a) Deferred income was $1,945 million and $2,182 million at March 31, 2013 and December 31, 2012, respectively.

(b) Financing receivables at March 31, 2013 and December 31, 2012 included $699 million and $750 million, respectively, relating to loans that had been acquired in a transfer but have been subject to credit deterioration since origination per ASC 310, Receivables.

The following tables provide additional information about our financing receivables and related activity in the allowance for losses for our Commercial, Real Estate and Consumer portfolios.

(In millions)	March 31, 2013	December 31, 2012
Commercial		
CLL		
Americas	$ 72,318	$ 72,517
Europe	35,435	37,035
Asia	10,158	11,401
Other	534	605
Total CLL	118,445	121,558
Energy Financial Services	4,734	4,851
GE Capital Aviation Services (GECAS)	10,557	10,915
Other	456	486
Total Commercial	134,192	137,810
Real Estate	19,733	20,946
Consumer		
Non-U.S. residential mortgages	31,689	33,451
Non-U.S. installment and revolving credit	18,050	18,546
U.S. installment and revolving credit	48,523	50,853
Non-U.S. auto	3,937	4,260
Other	7,559	8,070
Total Consumer	109,758	115,180
Total financing receivables	263,683	273,936
Less allowance for losses	(5,359)	(4,985)
Total financing receivables – net	$ 258,324	$ 268,951

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Allowance for Losses on Financing Receivables

(In millions)	Balance at January 1, 2013	Provision charged to operations	Other(a)	Gross write-offs(b)	Recoveries(b)	Balance at March 31, 2013
Commercial						
CLL						
Americas	$ 490	$ 74	$ (1)	$ (103)	$ 30	$ 490
Europe	445	83	(5)	(132)	20	411
Asia	80	11	(5)	(18)	4	72
Other	6	(3)	–	–	–	3
Total CLL	1,021	165	(11)	(253)	54	976
Energy Financial Services	9	(1)	–	–	–	8
GECAS	8	(1)	–	–	–	7
Other	3	–	–	(1)	–	2
Total Commercial	1,041	163	(11)	(254)	54	993
Real Estate	320	(20)	(6)	(29)	–	265
Consumer						
Non-U.S. residential mortgages	480	56	(16)	(55)	12	477
Non-U.S. installment and revolving credit	623	211	(15)	(252)	145	712
U.S. installment and revolving credit	2,282	1,014	(50)	(744)	163	2,665
Non-U.S. auto	67	17	(5)	(30)	17	66
Other	172	47	7	(52)	7	181
Total Consumer	3,624	1,345	(79)	(1,133)	344	4,101
Total	$ 4,985	$ 1,488	$ (96)	$ (1,416)	$ 398	$ 5,359

(a) Other primarily included the effects of currency exchange.

(b) Net write-offs (gross write-offs less recoveries) in certain portfolios may exceed the beginning allowance for losses as a result of losses that are incurred subsequent to the beginning of the fiscal year due to information becoming available during the current year, which may identify further deterioration on existing financing receivables.

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(In millions)	Balance at January 1, 2012	Provision charged to operations	Other(a)	Gross write-offs(b)	Recoveries(b)	Balance at March 31, 2012
Commercial						
CLL						
Americas	$ 889	$ 66	$ (20)	$ (156)	$ 23	$ 802
Europe	400	83	1	(45)	19	458
Asia	157	11	(5)	(56)	5	112
Other	4	–	–	(2)	–	2
Total CLL	1,450	160	(24)	(259)	47	1,374
Energy Financial Services	26	(1)	–	–	–	25
GECAS	17	(3)	–	–	–	14