Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	914 829 674
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	GE HEALTHCARE AS
Forretningsadresse:	Nycoveien 1 0485 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Georg Grøndalen
Dato for fastsettelse av årsregnskapet:	26.08.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.08.2023

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenues	2, 7	9 494 480 000	8 175 832 000
Other operating revenues	2	98 000	114 000
Sum inntekter		**9 494 578 000**	**8 175 946 000**
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer		6 739 000	-58 749 000
Raw materials and consumables		3 059 224 000	2 576 988 000
Payroll expenses	3	854 657 000	819 099 000
Depreciation and amortization	6	138 368 000	111 734 000
Other operating expenses	4	2 387 864 000	1 665 551 000
Sum kostnader		**6 446 852 000**	**5 114 623 000**
Driftsresultat		**3 047 726 000**	**3 061 323 000**
Finansinntekter og finanskostnader			
Dividends received	7	736 779 000	
Renteinntekt fra foretak i samme konsern	7	28 448 000	28 864 000
Annen renteinntekt		152 000	46 000
Other financial income	14	425 089 000	408 617 000
Sum finansinntekter		**1 190 468 000**	**437 527 000**
Rentekostnad til foretak i samme konsern		11 316 000	7 508 000
Annen rentekostnad		330 000	875 000
Other financial expenses	14	390 788 000	461 964 000
Sum finanskostnader		**402 434 000**	**470 347 000**
Netto finans		**788 034 000**	**-32 820 000**
Ordinært resultat før skattekostnad		**3 835 760 000**	**3 028 503 000**
Income tax expense	8	729 118 000	663 061 000
Ordinært resultat etter skattekostnad		**3 106 642 000**	**2 365 442 000**
Årsresultat		**3 106 642 000**	**2 365 442 000**

Resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Konsernbidrag	9, 15	2 051 198 000	2 112 461 000
Transfer to accumulated other equity	9	1 055 444 000	252 981 000
Sum overføringer og disponeringer		**3 106 642 000**	**2 365 442 000**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Concessions, patents, licenses, trade marks and similar rights	6	33 445 000	41 676 000
Utsatt skattefordel	8	26 944 000	20 600 000
Sum immaterielle eiendeler		**60 389 000**	**62 276 000**
Varige driftsmidler			
Land, buildings and similar properties	6	498 102 000	431 546 000
Machinery and plant	6	815 360 000	537 271 000
Assets under construction	6	472 896 000	591 243 000
Sum varige driftsmidler		**1 786 358 000**	**1 560 060 000**
Finansielle anleggsmidler			
Investering i datterselskap	11	650 778 000	571 295 000
Other non-current receivables	11	21 581 000	25 418 000
Sum finansielle anleggsmidler		**672 359 000**	**596 713 000**
Sum anleggsmidler		**2 519 106 000**	**2 219 049 000**
Omløpsmidler			
Varer			
Inventories	5	968 977 000	995 599 000
Sum varer		**968 977 000**	**995 599 000**
Fordringer			
Accounts receivable	7	1 531 438 000	1 569 133 000
Other current receivables		120 940 000	113 467 000
Konsernfordringer	7	10 126 796 000	5 954 939 000
Sum fordringer		**11 779 174 000**	**7 637 539 000**
Investeringer			
Financial instruments	14	47 579 000	144 667 000
Sum investeringer		**47 579 000**	**144 667 000**
Bankinnskudd, kontanter og lignende			

Balanse

Beløp i: NOK	Note	2021	2020
Cash and cash equivalents	10	85 809 000	220 415 000
Sum bankinnskudd, kontanter og lignende		**85 809 000**	**220 415 000**
Sum omløpsmidler		**12 881 539 000**	**8 998 220 000**
SUM EIENDELER		**15 400 645 000**	**11 217 269 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Share capital	9	1 000 000 000	1 000 000 000
Annen innskutt egenkapital	9	5 655 486 000	6 125 745 000
Sum innskutt egenkapital		**6 655 486 000**	**7 125 745 000**
Opptjent egenkapital			
Retained earnings	9	900 964 000	249 931 000
Sum opptjent egenkapital		**900 964 000**	**249 931 000**
Sum egenkapital		**7 556 450 000**	**7 375 676 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	13	21 935 000	29 641 000
Sum avsetninger for forpliktelser		**21 935 000**	**29 641 000**
Annen langsiktig gjeld			
Financial instruments	14	8 928 000	
Sum annen langsiktig gjeld		**8 928 000**	
Sum langsiktig gjeld		**30 863 000**	**29 641 000**
Kortsiktig gjeld			
Leverandørgjeld	7	2 367 069 000	1 781 516 000
Tax payable	8	51 000	1 578 000
Public duties payable		52 806 000	46 265 000
Kortsiktig konserngjeld	7	5 093 805 000	1 676 298 000
Other current liabilites		276 574 000	272 637 000

Balanse

Beløp i: NOK	Note	2021	2020
Financial instruments	14	23 027 000	33 658 000
Sum kortsiktig gjeld		**7 813 332 000**	**3 811 952 000**
Sum gjeld		**7 844 195 000**	**3 841 593 000**
SUM EGENKAPITAL OG GJELD		**15 400 645 000**	**11 217 269 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer:	2022 913897

Enheten

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Brønnøysundregistrene, 05.09.2022

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 914 829 674
GE HEALTHCARE AS

RESULTATREGNSKAP

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GE HEALTHCARE AS

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Organisasjonsnr: 914 829 674
GE HEALTHCARE AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Årsregnskapet er satt opp etter regnskapsloven. Regnskapsreglene for små foretak er fulgt.

Note
9

Antall aksjer og aksjeeiere

Aksjeklasse	Ant. aksjer	Pålydende	Bokført verdi
Ordinære aksjer	1000000.00	1.00	1000000.00

Aksjeeiere - fritekst	Antall	Eierandel	Aksjeklasse
GE Healthcare Holding AS	1000.00	100.00%	Ordinære aksjer

Sum	Sum antall	Sum eierandel
	1000.00	100.00%

Note
3

Lønn og ytelser

Lønn	Årets	Fjorårets
		671743159000.00

Arbeidsgiveravgift	Årets	Fjorårets
		89565539000.00

Pensjonskostnader	Årets	Fjorårets
		51844080000.00

Andre ytelser	Årets	Fjorårets
		5946356000.00

Sum lønnskostnader	Årets	Fjorårets
		819099134000.00

Note

3

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
669.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

Navn og adresse	Eierandel	Stemmeandel	Egenkapital	Resultat
GE Healthcare Ireland Limited	100.00%	100.00%		
GE Healthcare (Shanghai) Co. Ltd	100.00%	100.00%		

Omløpsmidler	Startdato	Sluttdato	Endring

Skattemessig fremf.undersk.	Startdato	Sluttdato	Endring

Kortsiktig gjeld	Startdato	Sluttdato	Endring

GE HEALTHCARE AS

2021

Annual Report

The nature of the business and where it is run

The annual report deals with the activities of GE Healthcare AS.

GE Healthcare AS manufactures and sells diagnostic drugs for the world market with headquarters located in Oslo. Production takes place in Oslo and Lindesnes. In Oslo, there is also a research and development unit, as well as sales and marketing activities. In addition, the company has activities in nuclear medicine. The company's sales branch in Korea is also included in the annual accounts. In addition, GE Healthcare AS owns GE Healthcare Shanghai CO Ltd, and GE Healthcare Ireland Ltd which also has similar production.

GE Healthcare AS is a wholly owned subsidiary of GE Healthcare Holding Norge AS, a company owned (indirectly) by General Electric Corporation (GE) in the United States. For a detailed review of the results and activities of General Electric Corporation, please refer to General Electric Corporation's annual report for 2021. This can be obtained from www.ge.com.

GE Healthcare AS is part of the Pharmaceutical Diagnostics business unit, which in turn is part of the GE Healthcare business division.

Going concerns

The annual accounts for 2021 have been prepared on the going concern assumption, since, in the opinion of the Board, there are no circumstances which imply otherwise.

Statement on the working environment and employee rights

The company follows General Electric's standards, systems and working methods for Environment, Health and Safety (EHS). EHS is an obligatory and active part of all working operations in the company. It is built upon local legislation and the company's own EHS standards and procedures. All activity is performed with the philosophy of zero injuries to personnel and no adverse effects to the environment or damage to assets.
There is a great focus on injury prevention. Injuries, near misses and events are investigated to find root causes and contributing factors. Human factors are examined to ensure that processes and systems are as made as robust as possible. Oslo had two injuries which both resulted in absenteeism whilst Lindesnes had three injuries which resulted in no absenteeism during 2021. Generally, work on accident prevention leads to positive results with fewer and less serious accidents over time. Employee engagement is high at both sites.

The company is an IA-company (Inkluderende Arbeidsliv) and works actively to reduce absenteeism. Absenteeism was 6.8% in Oslo and 4.7% at Lindesnes during 2021. There was in increase in both short-term and long-term in Oslo because of Covid-19 and quarantine requirements for suspected cases, whilst there was a slight increase in long term absenteeism at Lindesnes. Both sites operated strict precautions against Covid-19 and there were no production irregularities due to Covid-19.

The absenteeism was in total 4.97% for the company; 5,6% for women and 4.58% for men.
Out of total days of leave for the Year 61% was taken by women and 39% by men.

GE HEALTHCARE AS

2021

Both sites are amenable to inspections from both national and international regulatory organizations in addition to internal inspections. One observation was documented in Oslo regarding updated documentation for the Emergency Response Team. This documentation has since been updated and approved by the inspectorate. No inspections at Lindesnes in 2021.

Statement of Gender Equality

At year end the company had 912 permanent employees: 409 women and 503 men.
5% of the women and 1 % of the men are working part time.

There were also 65 temporary employees at year end: 27 women and 38 men.

In addition to complying with local legislation, the company strives to maintain a good working environment for all employees. Undesirable behavior, discrimination and bullying is not tolerated within the company. There is a robust female workforce and the number of women in traditionally male dominated roles are increasing. There exists a women's network to promote women actively in their career. In 2021, 57% of the labour force was female in Oslo and 33% at Lindesnes. Approximately one-third of all leaders are female, and the board has a 50 % female representation. In accordance with GE's Code of Conduct, the company and its employees will help create an atmosphere where fair employment terms apply to all members of a diverse GE community.

There are 5 different job levels (bands) in the Company; from lowest to highest; OTHSAL, PB, LPB, SPB and EB. In the below table an overview of gender and wage differences for the different bands are presented:

	Female headcount of total headcount	Female salary of total salary	Average headcount salary female vs men
Total for the Company	**45%**	**46%**	**104%**
EB	33%	27%	75%
SPB	47%	47%	101%
LPB	55%	55%	100%
PB	52%	52%	99%
OTHSAL	32%	31%	94%

Board liability insurance

GE maintains a global Directors & Officers (D&O) liability insurance policy for all individuals who have been requested by GE, a subsidiary or a controlled affiliate to serves as a Director or Officer of any entity in which GE has a majority ownership or 50% ownership with Management Control (other than an employee benefit plan).

GE HEALTHCARE AS

2021

Factors Affecting the External Environment

The company follows GE's standards, systems and working practices for environmental protection. As far as reasonably possible, measures are taken to reduce the effect of the company's presence on the environment through pollution prevention, conservation, and recycling of materials, water and energy. EHS risks are evaluated, and measures implemented for new activities, products, or changes.

Lindesnes has reached an upper production volume limit and is in discussions with the Environmental Agency regarding environmental permits to sustain production through the next decade. An important part of this work is to be able to meet Norwegian environmental regulatory requirements that, through the EU Industrial Waste Directive, require the application of Best Available Technology (BAT) for waste reduction. Preparing for the future, the site is investing heavily in environmental protection.

Lindesnes and Oslo had no permit exceedances in 2021.
The company is working to reduce energy use and CO2-emissions and has had a positive progression in this regard during the last decade. During the period 2004-2020 Lindesnes has reduced the specific energy consumption by over 60% through continuous focus on energy efficiency in processes and equipment.

GE Healthcare is focusing on creating a sustainable business with minimal impact to the environment. In addition to GE's commitment to of attaining carbon neutrality in our operations by 2030, GE Healthcare has committed to reduce greenhouse gas emissions by 50% in the same timeframe vs a 2019 baseline. Both sites have developed environmental roadmaps and have initiated projects to meet these goals by 2030.

At Lindesnes a new biological waste-water treatment plant has been put into operation with a gradual capacity increase. The aim is to clean effluent streams from organic content to reduce environmental impact, and at the same time produce biogas to replace fossil oil in the boilers for steam production.

Production processes in the company require the use of chemicals and use of packaging materials. The company has a focus to efficiently use resources as best as possible. There have been many environmental improvements through a continuous development of production processes with a reduced environmental burden. Raw materials are recycled where possible, which is a positive contribution to both the environment and to the balance sheet. Deliveries of raw materials and shipping of product is by road. There is a high focus on the safe transport of goods, hazardous materials and waste. Waste is handled by approved vendors for sorting and recycling. The waste management system is under consecutively improvement to increase the sorting and recycling rates and reduce the volume of waste generated.

On the environmental side, several important improvements have been made. High focus on the utilization rate of raw materials makes positive contributions, both to the environment and to the operating economy. Events and near-misses are analyzed with the purpose of improving our systems and impact on the environment. These analyses have triggered improvements in systems and barriers at the site.

The company works actively to ensure that its own products and raw materials meet chemical regulations (REACH).

GE HEALTHCARE AS

2021

Statement of Corporate Social Responsibility

GE observes Human Rights Principles and actively avoid human rights violations through collaboration and monitoring of customers, suppliers and partners. Moreover, GE respects that employees are under responsible working conditions in accordance with both international and local legislation. Our products are delivered to customers with the highest standards in order to meet their specifications and that of the regulator. This is achieved through a detailed quality assurance program that includes customers, suppliers, and partners.

GE has guidelines that describe how employees should deal with ethical issues in relation to colleagues, suppliers and partners. All new employees are provided with adequate training to become aware of such issues and in how different situations should be handled correctly.

The company is working to reduce energy use and CO_2-emissions and has had a positive progression in this regard during the last decade.

The company is actively working to combat all forms of corruption. As part of the GE Group, we have robust internal accounting processes and regulations, and use significant resources to ensure that this is complied with. GE explicitly prohibits unlawful payments in all situations and has implemented structured and well-functioning control processes to ensure that this does not happen.

Comments to the financial statement

The presented income statement, balance sheet, cash flow statement and accompanying notes provide together with the board of directors' report comprehensive information about the year's operations and the company's position at year-end.

Sales increased 16% from 8 176 million NOK in FY2020 to 9 494 million NOK in FY2021. The sales increase is mainly due to increased activity in FY2021 after the sales dropped 11% from FY2019 to FY2020 caused by the loss of sales due to the Covid pandemic across the globe, as elective procedures in hospitals often were postponed.

The company have recorded inflation on both key raw materials, transportation, and other operating expenses through FY2021, resulting in operating profit being at the same level as in FY2020, despite sales increasing with 16%. The operating profit before tax in FY2021 is NOK 3 048 million NOK compared to NOK 3 061 million in FY2020.

Net cash flow from operating activities was NOK 3 340 million in 2021, an increase of 17% versus FY2020. This is mostly driven by the increase of sales and ordinary profit, having a healthy improvement on the cash flows after operational delays due to covid during FY2020.

The company's profit for 2021 is fully allocated to group contributions. It follows from this that the intention is that the parent company pays tax on behalf of the Norwegian healthcare group.
Equity is 49% of total balance sheet, which is a 17% decrease compared to FY2020. The reduction is mainly related to a NOK 3 100 million dividend paid out in Year 2021 and a prior year transfer pricing related correction. Refer to the equity note in the Financial Statements for more information. The equity is still considered to be solid. The company is affiliated with GE's corporate account and bank positions are settled daily against this. There is continuous focus on ensuring good liquidity. Investments in fixed assets has increased following reinvestment in Oslo and Lindesnes Sites.

GE HEALTHCARE AS

2021

Events after the balance sheet date

There have been no material circumstances after 31.12.2021 which are of significance for the assessment of the company's position not shown in the annual accounts and associated notes.

Report on research and development

Expenditure associated with research and development through the year has been charged to the profit and loss account with NOK 416 million (2020: NOK 429 million). Many of the current R&D projects are joint activities with other GE entities so the cost is mainly related to purchase of intercompany R&D services. Income related to sales of internal R&D services is booked as a reduction of the total cost.

The company has two approved projects within the SkatteFUNN scheme for FY2021. These consist mainly of own work performed and a smaller portion purchased services. The two SkatteFUNN projects were carried forward from the prior year, where two other approved SkatteFUNN projects expired in 2020. Purchase of research and development services internally is expected to continue in 2022 as part of an efficiency improvement of the operations and to reduce fixed costs and launch of new products.

Forward looking statements

In 2019 and 2020 before the COVID pandemic, we experienced increased overall demand for our products globally. In the coming years after the pandemic volume growth is still expected across the x-ray and MRI modalities.

For further information about the company's future development, please refer to General Electric Corporation Inc's Annual Report for 2021.

Statement of financial risk

The company is exposed to credit risk, interest rate risk and currency risk in the ordinary business activities and perform controls to ensure acceptable risk in these areas.

The company's cash flow is largely linked to foreign currency. To reduce currency risk related to future cash flow, it is purchased and sold currency based on an estimate of cash flow in the following quarter. The company normally covers its financing needs through its ongoing operations, and is a participant in the Group's corporate account where liquidity can be placed and retrieved. The company's financing activities are followed up by the local finance department in cooperation with the central Treasury function in the Group and controlled by the company's management. The company has little external interest-bearing debt or receivables and is therefore not exposed to changes in short-term interest rates.

GE HEALTHCARE AS

2021

Oslo, 19. August 2022/19 August 2022

Styret i/the board of directors in GE Healthcare AS

Niels Christian Aall Styreleder/Chairman of the board	Sara Emma Mari Lagerfelt Styremedlem/Member of the board	Jon Gabriel Noddeland Styremedlem/ Member of the board
Pål Arne Wøien Styremedlem/ Member of the board	Evy Stavik Styremedlem/ Member of the board	Eirik Christoffersen Styremedlem/ Member of the board
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GE HEALTHCARE AS

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Oslo, 19. August 2022/19 August 2022

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GE HEALTHCARE AS

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2021

Oslo, 19. August 2022/19 August 2022

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Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221 Sentrum
NO-0103 Oslo
Norway

Tel: +47 23 27 90 00
www.deloitte.no

To the General Meeting of GE Healthcare AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of GE Healthcare AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters
The financial statements were resolved subsequent of the deadline set by the Companies Act.

Oslo, 24 August 2022
Deloitte AS

Trond Edvin Hov
State Authorised Public Accountant

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Trond Edvin Hov
State Authorised Public Accountant (Norway)
Serial number: 9578-5999-4-1287563
IP: 62.16.xxx.xxx
2022-08-26 06:35:30 UTC

bank ID

Penneo document key: XPUC1-NDC2C-Z3O5K-8FMQF-W6WJQ-30MZS

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Profit & Loss Statement

	Note	01.01 - 31.12 2021	01.01 - 31.12 2020
REVENUES			
Sales revenues	2, 7	9 494 480	8 175 832
Other operating income	2	98	114
Total revenues		**9 494 578**	**8 175 945**
OPERATING EXPENSES			
Raw materials and consumables		3 059 224	2 576 988
Changes in stocks of work in progress and finished goods		6 739	-58 749
Payroll expenses	3	854 657	819 099
Depreciation and amortization	6	138 368	111 734
Other operating expenses	4	2 387 864	1 665 551
Total operating expenses		**6 446 852**	**5 114 623**
Operating profit		**3 047 725**	**3 061 322**
FINANCIAL INCOME AND EXPENSES			
Interest income from group companies	7	28 448	28 864
Dividends received	7	736 779	0
Other interest income		152	46
Other financial income	14	425 089	408 617
Interest expense to group companies	7	-11 316	-7 508
Other interest expenses		-330	-875
Other financial expenses	14	-390 787	-461 964
Net financial income and expenses		**788 034**	**-32 819**
Ordinary profit before tax		**3 835 760**	**3 028 503**
Tax expense	8	729 118	663 061
Ordinary profit after tax		**3 106 642**	**2 365 442**
Transfers			
Group contribution (net)	9, 15	2 051 198	2 112 461
Transferred to other equity	9	1 055 444	252 981
Total		**3 106 642**	**2 365 442**

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Balance Sheet

	Note	31.12.2021	31.12.2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Patents, licences, etc.	6	33 445	41 676
Deferred tax asset	8	26 944	20 600
Total intangible assets		**60 388**	**62 276**
Tangible assets			
Land, buildings and similar properties	6	498 102	431 546
Machinery and plant	6	815 360	537 271
Assets under construction	6	472 897	591 243
Total tangible assets		**1 786 358**	**1 560 060**
Financial assets			
Shares in subsidiaries	11	650 778	571 295
Other non-current receivables	11	21 581	25 418
Total financial assets		**672 359**	**596 713**
Total non-current assets		**2 519 105**	**2 219 049**
CURRENT ASSETS			
Inventories	5	**968 977**	**995 599**
Receivables			
Trade receivables	7	1 531 438	1 569 133
Short term receivables from group companies	7	10 126 796	5 954 939
Financial instruments	14	47 579	144 667
Other current receivables		120 940	113 467
Total receivables		**11 826 754**	**7 782 207**
Cash and cash equivalents	10	**85 809**	**220 415**
Total current assets		**12 881 540**	**8 998 220**
Total assets		**15 400 645**	**11 217 269**

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Balance Sheet

	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	9	1 000 000	1 000 000
Other paid-in equity	9	5 655 486	6 125 745
Total paid-in equity		**6 655 486**	**7 125 745**
Earned equity			
Retained earnings	9	900 964	249 931
Total earned equity		**900 964**	**249 931**
Total equity		**7 556 450**	**7 375 676**
LIABILITIES			
LONG TERM LIABILITIES			
Pension liabilities	13	21 935	29 641
Financial instruments	14	8 928	0
Total long term liabilities		**30 862**	**29 641**
CURRENT LIABILITIES			
Trade payables	7	2 367 069	1 781 516
Short term debt to group companies	7	5 093 805	1 676 298
Taxes payable	8	51	1 578
Public duties payable		52 806	46 265
Financial instruments	14	23 027	33 658
Other current liabilities		276 575	272 637
Total current liabilities		**7 813 333**	**3 811 952**
Total liabilities		**7 844 196**	**3 841 593**
Total equity and liabilities		**15 400 645**	**11 217 269**

Oslo, 19 August 2022

Niels Christian Aall Chairman of the board	Sara Emma Mari Lagerfelt Board member	Jon Gabriel Noddeland Board member
Pål Arne Wøien Board member	Evy Stavik Board member	Eirik Christoffersen Board member
Marianne Dahl Board member	Helena Stiland Deputy Board member	Kristine Sillerud Board member

GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

Balance Sheet

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GE Healthcare AS

Financial Statements 2021 *All figures in NOK '000*

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GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

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Oslo, 19 August 2022

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Chairman of the board

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Board member

Jon Gabriel Noddeland
Board member

Pål Arne Wøien
Board member

Evy Stavik
Board member

Eirik Christoffersen
Board member

Marianne Dahl
Board member

Helena Stiland
Deputy Board member

Kristine Sillerud
Board member

GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

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GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Cash Flow Statement

	01.01 - 31.12 2021	01.01 - 31.12 2020
Cash flow from operating activities		
Ordinary profit before tax	3 835 760	3 028 503
Dividends received	-736 779	0
Adjusted ordinary profit before tax	**3 098 981**	**3 028 503**
Tax paid during the period	-46 344	-11
Depreciations	138 368	111 734
Loss / gain on sale of fixed assets	444	81
Changes in inventories	26 622	-148 962
Changes in accounts receivable	37 695	-648 224
Changes in accounts payable	585 553	573 070
Changes in the pension liabilities on the balance sheet	-7 706	2 620
Changes in inter-company receivables and debt	-527 300	116 246
Changes in other accrued items	33 532	-190 020
Net cash flow from operating activities	**3 339 845**	**2 845 037**
Cash flow from investment activities		
Purchase of fixed assets	-356 879	-267 899
Dividends received	736 779	0
Net change in cash pool receiveable	-4 171 857	-1 976 545
Net cash flow from investment activities	**-3 791 958**	**-2 244 444**
Cash flow from financing activities		
Net change in cash pool liability	3 417 507	778 679
Dividends paid	-3 100 000	-1 271 032
Received group contribution	2 708 283	4 101 821
Paid group contribution	-2 708 283	-4 101 821
Net cash flow from financing activities	**317 507**	**-492 353**
Net change in cash and cash equivalents	**-134 605**	**108 240**
Cash and cash equivalents 01.01	220 415	112 174
Cash and cash equivalents 31.12	85 809	220 415
Net change in cash and cash equivalents	**-134 605**	**108 240**

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 1 ACCOUNTING PRINCIPLES

General information
GE Healthcare AS is a pharmaceutical company producing and selling contrast media for the world market. The headquarters are located in Oslo, Norway and the company has production facilities located in Oslo and Lindesnes. In Oslo there is also an R&D unit along with commercial and sales departments.

Basis for preparation
The financial statements have been prepared in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles. The financial statements are presented in thousand Norwegian kroner. Due to rounding off smaller differences can occasionally occur in the totals.

Receivables and debts in foreign currency
Receivables and debts in foreign currency are translated into Norwegian krone at the exchange rate applicable at the balance sheet date. Unrealised exchange gains are offset against unrealised exchange losses. Foreign currency items are valued at the rate applicable at the balance sheet date.
GE Healthcare AS secures expected currency flows by the use of forward contracts.

Hedging instruments / Financial instruments
The company uses currency derivatives to secure the foreign currency risk exposure that arises from operational and financial activities. Derivatives are initially measured at their fair value (with direct transaction costs being included in the income statement as an expense) and are subsequently remeasured to fair value at each balance sheet date. Changes in carrying value are recognised in the income statement. The company classifies all results from currency derivatives as financial items. The company has - as of 31.12 - both short and long term currency derivatives (cash flow hedging) that relate to AR, AP and/or circulation of goods.

Stock
Stocks of purchased goods are stated at the lower of purchase cost according to the first in-first out principle and net realisable value (defined as the estimated sales value minus sales costs). In-house produced semi-finished and finished goods are stated at the lower of the production cost including the share of production overheads and the net realisable value. A provision is made for anticipated obsolete and slow moving stocks.

Shares
Shares intended for permanent ownership or use are specified on the balance sheet as fixed assets. These are stated at cost price unless circumstances that are not considered to be of temporary nature have made a lower assessment necessary. Gains/losses are entered under operations as financial items or as extraordinary items depending on the nature of the investment.

Fixed assets and depreciation
Fixed assets are entered on the balance sheet at cost price reduced for depreciation and write-downs. In-house processing of purchased assets is capitalised according to the appropriate labour hours. Assets under construction are reclassified when put in use, depreciation starting at the same time. Purchased patents and rights are capitalised. Depreciation is made according to the straight-line method over the assumed useful economic life of the business asset. Differences between accounting and tax depreciations are treated as timing differences, and are included in the basis for the calculation of deferred tax.

Research and development expenditures
All expenditures related to the research and development of new products are charged against income as they are incurred.

Pension commitments and pension premium fund
The company's pension arrangements, including all employees, covers the requirements outlined by the Law of Mandatory Occupational Pension. Majority of the pension arrangements are covered by Storebrand Life Insurance AS, a smaller portion by State Pension Fund. Until December 2013, the scheme in Storebrand Life Insurance AS was defined benefit pension. From 1 January 2014 the company has been transferred to the new pension based on a defined contribution scheme, with the same pension fund. In 2013 the company recognized cost in relation with termination of the defined benefit plan.
The pension scheme at State Pension Fund will be continued as a defined benefit scheme. In addition, some employees have arrangements beyond the collective pension scheme. These are financed through the company's operations.

Pension commitments (directly financed and funds-based benefit plans) are valued at the net present value of the future pension benefits that have been accrued at balance sheet date. Future pension benefits are calculated based on expected salary at the retirement date. Pension assets (funds-based benefit plans) are stated at market value. Net pension costs (gross pension costs - estimated yield from pension assets) are included in salaries & wages and social costs. Gross pension costs consist of the net present value of the period's pension accruals, interest costs of the pension obligations and the amortisation of unrecognised gain or loss along with the deviation between actual and expected yields. The balance sheet shows net pension commitments as long-term liabilities and the value of non-neutralisable over-financing as receivables from group companies. (non-current receivables)

As the company's parent company reports pensions under US GAAP (FAS 87 and FAS 158) the company has chosen to follow NR6 pension costs p. 68, stating that US GAAP reported companies can carry over its use of corresponding pension standards in US GAAP for accounting according to Norwegian GAAP.

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

Early retirement arrangement (AFP)
The current AFP is not an early retirement arrangement but a lifelong benefit. The arrangement is performance based. It is the company's understanding that there is not sufficient information about the distribution of pension cost, obligations and funds that enables a reliable measurement of a balanced cost/benefit assessment. Thus, the company is treating the arrangement as a defined contribution plan where premiums are expensed ongoing.
There are no accruals or obligations accounted for. The pension premiums will depend on the number of employees.

Consolidated accounts
GE Healthcare AS is owned by GE Healthcare Holding Norge AS, part of the GE Healthcare Holding AS Group. GE Healthcare Holding AS is 100% owned by GE Medical Holding AB (Uppsala, Sweden). This company is the parent company for the European GE Healthcare companies. GE Medical Holding AB is part of the General Electric Corporation Group.

GE Healthcare AS has been granted exemption from preparing consolidated accounts by the tax directorate.

Investment in subsidiaries and associates
Investment in subsidiaries and associates are accounted for using the cost method. The investments are initially recognized at purchase cost. An impairment loss will be recognized down to fair value if the value is considered to be significantly lower than carrying value and if the reason for the lower value is not considered to be temporary. If circumstances causing the impairment no longer exist, the impairment is reversed. Dividends and cash from subsidiaries is recognized in the same accounting period as for the subsidiary distributing the funds. If dividends exceed earnings retained after acquisition, the excess of funds represent repayment of capital and will be accounted for as a reduction of the carrying value of the investment. The company's branch in Korea is incorporated in the accrual accounts.

Related parties - transactions
Purchase and sales transactions with related parties in Norway is in accordance with the Norwegian Companies act § 3-9, conducted to ordinary business principles. Accounting and classifications is following the Norwegian Accounting Act and principles. Significant transactions and contractual arrangements exist writing and are signed. Such transactions are specified in note 7.

Tax
Tax costs in the profit and loss accounts include payable taxes as well as changes in deferred tax. The change in deferred tax reflects the future payable taxes which arise as a result of the year's activities. Deferred tax is the tax that is incumbent on the accumulated profit/loss but which is to be paid in later periods. Deferred tax is calculated by the net positive timing differences between accounting and tax book values after the neutralization of negative timing differences according to the liability method. Nominal tax rates prevailing at balance sheet date are used for calculating deferred tax.
For both 2019 and 2018 the rate was 22%. When applicable, the effect of the rate change is disclosed in the tax note.

Contingent liabilities
Contingent liabilities are accounted for if there is a reason to believe that it will settle. Best estimate is used when calculating the end value.

Classification and assessment of balance sheet items
Current assets and current liabilities cover items due for payment within one year as well as items linked to the circular flow of goods. Other items are classified as fixed assets/long-term liabilities. Current assets are stated at the lower of original cost and net realisable value. Current liabilities are specified on the balance sheet at nominal amount at date of establishment.
Fixed assets are stated at original cost, but are written down to net realisable value if the decrease in value is not expected to be temporary.
Long-term liabilities are entered in the balance sheet at nominal amount at date of establishment.

Revenue recognition
Revenues are recognized when earned. The revenues are considered earned when control of the goods is transferred to the customer.
Physical possession is used as the key indicator for transfer of control, meaning delivered to the customer as in accordance with the agreed Incoterms, mainly upon delivery to the customer site of use.

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 2 REVENUES

Area of operations	2021	2020
Contrast media sales worldwide	9 084 293	7 798 135
Sales through Korea branch	410 187	377 697
Total sales revenues	**9 494 480**	**8 175 832**
Other operating income	98	114
Total revenues	**9 494 578**	**8 175 945**

Other operating income mainly consist of royalty income.

Geographical markets	2021	2020
Norway	208 013	139 025
United States of America	3 231 217	2 675 049
Ireland	2 524 220	2 286 295
China	1 046 546	756 841
Korea	460 952	411 444
Japan	390 996	548 289
Rest of Europe	525 330	451 206
Rest of Asia	506 519	376 532
Rest of America	336 978	305 546
Other markets	263 710	225 604
Total sales revenues	**9 494 480**	**8 175 832**

NOTE 3 PERSONNEL EXPENSES, MANAGEMENT REMUNERATION AND AUDIT FEES

Salaries, wages and other employee benefits	2021	2020
Salaries and wages	696 826	671 743
Social security contribution	97 220	89 566
Pension costs	51 897	51 844
Other employee benefits	8 714	5 946
Toal salaries, wages and other employee benefits	**854 657**	**819 099**

Average number of full time employees during the year in Norway	807	823
Average number of full time employees during the year in Korea	40	39

Management remuneration	2021	2020
Chairman of the Board	200	200
General Manager		
- Salary and bonus expensed	2 620	2 377
- Pension expenses	111	106
- Other benefits	500	228

The General Manager, Aksel Reksten, left the company during autumn 2021. Cathrine Thomassen was appointed as new General Manager from 1 October. Total salary and compensation covers both General Managers, where the former has been fully included while the new with a prorata amount.

No loans or guarantees have been granted to the General Manager or the Chairman of the Board.

Auditor	2021	2020
Recorded remuneration (ex VAT) for statutory audit	1 297	1 146
Other certification services provided by the auditor	200	556

GE Healthcare AS
Financial Statements 2021 All figures in NOK '000

Notes to the Financial Statements

NOTE 4 OTHER OPERATING EXPENSES

	2021	2020
Professional and shared service fees	1 827 104	1 233 213
Sundry office expenses	151 586	165 169
Transportation and storage costs	185 674	97 998
Rental expenses	21 691	18 894
Licences and royalty	8 118	20 731
Other operating expenses	193 691	129 546
Total other operating expenses	**2 387 864**	**1 665 551**

NOTE 5 INVENTORIES

	31.12.2021	31.12.2020
Raw materials	432 019	453 440
Obsolescence - raw materials	-3 989	-5 528
Work in progress and semi-manufactured goods	413 357	407 606
Obsolescence - work in progress and semi-manufactured goods	-19 479	-14 236
Finished goods	148 384	155 528
Obsolescence - finished goods	-1 315	-1 212
Total inventories	**968 977**	**995 599**

NOTE 6 TANGIBLE AND INTANGIBLE ASSETS

	Buildings and land	Machinery and plant	Goodwill and patents	Assets under construction	Total
First cost as of 1.1.	1 021 158	2 924 821	58 665	591 243	4 595 887
Capital expenditures	0	0	0	356 879	356 879
Capitalized assets	91 020	384 205	0	-475 225	0
Disposals	0	-21 454	0	0	-21 454
Transfers	0	0	0	0	0
First cost as of 31.12.	**1 112 178**	**3 287 572**	**58 665**	**472 897**	**4 931 312**
Accumulated depreciations as of 1.1.	589 612	2 387 550	16 989	0	2 994 151
Depreciation for the year	24 442	105 695	8 232	0	138 368
Disposals	0	-21 010	0	0	-21 010
Transfers	23	-23	0	0	0
Accumulated depreciations as of 31.12.	**614 077**	**2 472 212**	**25 221**	**0**	**3 111 509**
Book value as of 1.1.	**431 546**	**537 271**	**41 676**	**591 243**	**1 601 736**
Book value as of 31.12.	**498 102**	**815 360**	**33 445**	**472 897**	**1 819 803**
Useful life	10-20 years	3-15 years	5-12 years		
Depreciation method	Linear	Linear	Linear		

Patents are purchased and amortized over the useful life of 5-10 years. Other intangible assets are amortized over the useful life of 5-12 years. Assets under construction are disclosed as separate group. Upon completion the assets will be allocated to the relevant tangible asset groups.

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 7 BALANCES WITH AFFILIATED COMPANIES

Current receivables	Type of transaction	31.12.2021	31.12.2020
GE Healthcare (Shanghai) Co Ltd	Trade receivables	287 711	95 356
GE Healthcare Inc.	Trade receivables	232 673	99 357
GE Healthcare Ireland Limited	Trade receivables	218 455	375 395
GE Healthcare Limited	Trade receivables	138 593	141 117
Wipro GE Healthcare Private Limited	Trade receivables	118 245	42 290
GE Healthcare do Brasil Ltda.	Trade receivables	53 760	22 218
GE Healthcare Australia Pty Limited	Trade receivables	11 386	70 796
General Electric Company	Trade receivables	0	161 037
GE Healthcare Pharma Limited	Trade receivables	0	134 164
Other GE affiliated companies	Trade receivables	76 714	91 442
Total trade receivables affiliated companies		**1 137 536**	**1 233 171**
GE Healthcare Treasury Services Unlimited Company	Cash pool receivable	10 126 796	5 954 939
Total other receivables affiliated companies		**10 126 796**	**5 954 939**

Current liabilities	Type of transaction	31.12.2021	31.12.2020
GE Healthcare Limited	Trade payables	870 511	20 000
GE Healthcare (Shanghai) Co Ltd	Trade payables	237 315	15 365
GE Healthcare Ireland Limited	Trade payables	212 270	934 202
GE Healthcare B.V.	Trade payables	2 287	1 111
GE Healthcare Buchler GmbH & Co. KG	Trade payables	5 713	34
Other GE affiliated companies	Trade payables	76 378	46 388
Total trade payables affiliated companies		**1 404 475**	**1 017 100**
GE Healthcare Clinical Systems Norway AS	Cash pool liability	4 321 922	893 294
GE Vingmed Ultrasound AS	Cash pool liability	572 424	708 176
GE Healthcare Holding Norge AS	Cash pool liability	133 661	4 609
GE Healthcare Norge AS	Cash pool liability	65 799	70 220
Total other current liabilities affiliated companies		**5 093 805**	**1 676 298**

Profit and loss statement	Type of transaction	2021	2020
GE Healthcare Inc.	Revenues from product sales	3 089 066	2 441 507
GE Healthcare Ireland Limited	Revenues from product sales	2 521 018	2 282 123
Wipro GE Healthcare Private Limited	Revenues from product sales	371 535	246 085
GE Healthcare (Shanghai) Co Ltd	Revenues from product sales	361 261	506 748
GE Healthcare Pharma Limited	Revenues from product sales	325 394	411 550
GE Healthcare Limited	Revenues from product sales	116 883	110 988
Other GE affiliated companies	Revenues from product sales	977 524	888 284
GE Healthcare Limited	Costs for centralized services	-1 574 417	-911 046
GE Healthcare Inc.	Costs for centralized services	-83 064	-113 544
GE Healthcare (Shanghai) Co Ltd	Dividend received	463 339	0
GE Healthcare Ireland Limited	Dividend received	273 440	0
GE Healthcare Treasury Services Unlimited Company	Cash pool interest received	25 198	27 145
Net significant transactions with affiliated companies		**6 867 177**	**5 889 841**

GE Healthcare AS is part of General Electric Group. As a natural part of business operations there are inter-company transactions in various areas to leverage capacity and expertise in an efficient and effective manner. The company sells to a large extent its products to various group companies within the Healthcare business for resale abroad. Production and sale of goods is based partially on the rights held by other group companies. For this annual royalty / license fees are paid. Similarly does GE Healthcare AS own rights leveraged by other group companies for which the company receives revenues for. There is an shared service agreement in place with other group companies to purchase various support services. Similarly, GE Healthcare AS are providing certain support functions to other group companies. For these services compensation is paid and received according to a separate settlement.

All contracts and transactions between group companies are conducted on market terms.
The specified transaction groups / amount are considered to be the most significant ones for the understanding of the financial statements.

GE Healthcare AS

Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 8 SPECIFICATION OF TAXES

	2021	2020
Calculation of taxable income:		
Profit before tax in Norway	3 835 760	3 028 503
Non-taxable profit from Korea branch	13 460	-19 708
Prior year Transfer Pricing related correction	-527 300	0
Other permanent differences	-720 559	-5 670
Change in temporary differences	28 426	-294 794
Total taxable income	**2 629 787**	**2 708 331**
Tax expense for the year:		
Tax payable on current year profit in Norway	578 553	595 833
Tax payable on current year profit in Korea	-5 288	2 370
Tax payable effect of prior year Transfer Pricing related correction	116 006	0
Withholding tax paid	46 344	11
Credit tax relief	-10	-11
Change in deferred tax asset in Norway	-6 254	64 855
Change in deferred tax asset in Korea	-233	3
Total tax expense for the year	**729 118**	**663 061**
	31.12.2021	**31.12.2020**
Tax payable in the balance sheet:		
Tax payable on current year profit in Norway	578 553	595 833
Tax on paid group contribution	-578 543	-595 822
Credit tax relief	-10	-11
Tax payable in Korea	51	1 578
Total tax liability	**51**	**1 578**
Specification of basis for deferred tax asset:		
Fixed assets	93 498	165 830
Inventories	24 783	20 976
Receivables	298	230
Gain and loss account	-1 212	-1 515
Pension liabilities	21 935	29 641
Accrued expenses	5 049	0
Financial instruments	-34 565	-133 802
Provisions on shares	3 791	3 791
Total temporary differences in Norway	**113 576**	**85 150**
Deferred tax asset in Norway	24 987	18 733
Deferred tax asset in Korea	1 957	1 866
Total deferred tax asset	**26 944**	**20 600**

GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 9 EQUITY

	Share capital	Other paid-in equity	Retained earnings	Total equity
Equity 31.12.2020	**1 000 000**	6 125 745	249 931	7 375 676
Prior year Transfer Pricing related correction			-411 294	-411 294
Corrected equity 31.12.2020	**1 000 000**	6 125 745	-161 363	6 964 382
Dividend paid to parent company		-3 100 000		-3 100 000
Current year profit / loss			3 106 642	3 106 642
Pension estimation difference adjusted through Equity			6 883	6 883
Paid taxable group contribution			-2 051 198	-2 051 198
Received non-taxable group contribution		2 629 741		2 629 741
Equity 31.12.2021	**1 000 000**	5 655 486	900 964	7 556 450

The share capital consists of 1 000 000 shares of 1 000 NOK. All shares have equal rights.
The company's shares are 100 % owned by GE Healthcare Holding Norge AS.

Subsequent to resolving the financial statements for FY2020, the Company has, in connection with an in-house review, identified that certain intercompany revenues related to Molecular Imaging products have been incorrectly allocated to, and taxed as income for the Company, for the period FY2016-FY2020. The accumulated impact is a decrease in the equity as at 31 December 2020 of NOK 411 million, net of 22% tax (pre-tax NOK 527.3 million). The aggregate correction as at 31 December 2020 is considered significant, and therefore recorded directly to the equity in the FY2021 Financial Statements. For each of the prior Years the corrections are not considered significant and therefore the comparative figures for FY2020 have not been restated. The net impact of the correction for FY2020 only is a decrease of NOK 114 million in net income.

NOTE 10 CASH AND CASH EQUIVALENTS

The company has bank accounts at Danske Bank and J.P.Morgan that are included in GE group cash pool agreement. The balance is brought forward to GE Treasury and converted into short term receivable from group companies. Interest is calculated based on arm's lenght priniciple.
The company also has a 40 000 000 NOK bank guarantee at Danske Bank as security for proper payment of employee withholding taxes.
There are no restricted funds or collaterals at year end.

NOTE 11 FINANCIAL ASSETS

Shares in subsidiaries

Company	Country	Business location	Company equity 31.12.2021	Company profit / loss 2021	Ownership percentage	Value on balance sheet
GE Healthcare Ireland Limited	Ireland	Cork	744 389	79 490	100 %	347 916
GE Healthcare (Shanghai) Co. Ltd.	China	Shanghai	929 117	223 229	100 %	223 379
GE Healthcare Pharma LLC *	Russia	Moscow	71 772	-3 724	99,9999%	79 483
Total						**650 778**

* The company purchased 99.9999% of the participation interest in GE Healthcare Pharma LLC in October 2021.

Other non-current assets
In 2019 the company paid deposit of USD 300 000 with maturity of 31 Dec 2024, classified as non-current receivable. Its year-end value is KNOK 2 640. The company also has long-term hedges with KNOK 18 941, classified as non-current assets, based on their maturity.

NOTE 12 RESEARCH AND DEVELOPMENT

Expenditure associated with research and development through the year has been charged in the profit and loss account with KNOK 416 104 (2020: KNOK 429 126). Many of the current R&D projects are joint activities with other GE entities so the cost is mainly related to purchase of intercompany R&D services. Income related to sales of internal R&D services is booked as a reduction of the total cost.

The company has two approved projects within the SkatteFUNN scheme for FY2021. These consist mainly of own work performed and a smaller portion purchased services. The two SkatteFUNN projects were carried forward from prior year, while two other approved SkattFUNN projects expired in FY2020.

Purchase of research and development services internally is expected to continue in 2022 as part of an efficiency improvement of the operations and to reduce fixed costs and launch of new products.

Since some of the current research and development projects are related to a planned new product release, these activities are expected to generate increased earnings. For the other projects it is in the current phase too early to say whether the R&D activities will generate increased earnings.

GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 13 PENSION COSTS AND LIABILITIES
The company has a defined contribution pension scheme that covers 893 people. It meets the requirements in the mandatory occupational pensions act. Contributions to the defined contribution scheme are recognized as expense in the profit and loss statment as incurred.

As at current year-end, total 19 people were covered by collective future benefit schemes, all of them were retirees. These plans give the right to defined future benefits, which mainly depends on the vesting year and wage level at retirement.

The main part of the commitments through Statens Pensjonskasse is covering 16 people. There is also a top hat pension scheme covering one executive and two people were covered by another unsecured pension scheme. Both additional schemes are financed from the company's operations.

As the company's parent company reports pensions under US GAAP (FAS 87 and FAS 158) the company has chosen to follow NRS6 pension costs p. 68, stating that US GAAP reported companies can carry over its use of corresponding pension standards in US GAAP for accounting according to Norwegian GAAP.

Contractual pension agreement is considered as an unsecured scheme.

Pension costs for the period

	2021	2020	2021	2020
	Secured scheme		Unsecured scheme	
Net present value of current service cost	0	0	0	0
Interest cost of the pension liability	538	837	271	311
Return on pension plan assets	-555	-1 005	0	0
Settlement/curtailment	0	0	0	0
Amortization of gain/loss	830	658	40	-38
Net pension cost	**813**	**490**	**311**	**273**

Reconciliation of the funded status of the pension scheme against the amount in the balance sheet

	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Secured scheme		Unsecured scheme	
Calculated gross pension commitments	-34 849	-35 674	-16 874	-17 801
Pension plan assets at market value	29 788	23 834	0	0
Net pension obligations in the balance sheet	**-5 061**	**-11 840**	**-16 874**	**-17 801**
Unrecognised net actuarial loss and transitional amount	5 729	12 490	-1 093	-971
Net pension assets / (liabilities)	**668**	**650**	**-17 967**	**-18 772**

Economic assumptions	2021	2020
Expected return on plan assets	2,90 %	2,70 %
Discount rate	2,25 %	2,00 %
Salary increase	2,50 %	2,00 %
Social security increase	2,25 %	2,00 %
Pension increase	1,50 %	1,25 %
Inflation	1,50 %	1,50 %

Actuarial assumptions for demographic factors and retirement have been based on common assumptions applied within insurance.

Additionally, the company has an agreed early retirement scheme (AFP). The AFP scheme is a tariff based lifelong retirement arrangement that can be withdrawn from the age of 62 organized by the main labour unions and the Norwegian state. It is a defined benefit multi-enterprise scheme, but is recognized in the accounts as a defined contribution scheme until reliable and sufficient information is available for the group to recognize its proportional share of pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognised as debt in the balance sheet.

	2021	2020
AFP premium paid	10 513	9 814

GE Healthcare AS
Financial Statements 2021

All figures in NOK '000

Notes to the Financial Statements

NOTE 14 OTHER FINANCIAL INCOME AND EXPENSES AND FORWARD CONTRACTS

Other financial income and expenses	**2021**	**2020**
Foreign exchange gains	222 506	378 448
Foreign exchange losses	-287 233	-321 954
Other financial expenses	-2 946	-2 216
Unrealized losses on financial instruments	-100 608	-137 794
Net other financial income/expenses	**-168 281**	**-83 516**

The company has significant cash flows in foreign currencies. To reduce risk relating to currency fluctuations, the company is using forward exchange contracts and currency options to hedge the risk. These financial instruments are recognized at fair value (market to market value) with changes in fair value recognized through profit and loss.

The company has entered into forward contracts for selling and buying USD / EUR / GBP / JPY / CAD / AUD against NOK to hedge against currency losses.
The following hedges were open at year-end:

	Year of maturity	**Trade currency**	**Trade amount**	**Against currency**	**Against amount**	**Gain/loss in NOK '000**
Forward sell	2022	USD	-222 000 000	NOK	1 984 176 251	24 960
Forward sell	2022	EUR	-53 300 000	NOK	536 383 459	4 967
Forward sell	2022	GBP	-35 700 000	NOK	429 951 749	7 159
Forward sell	2022	JPY	-4 220 800 000	NOK	329 903 393	5 129
Forward sell	2022	CAD	-13 000 000	NOK	91 121 135	1 450
Forward sell	2022	AUD	-3 300 000	NOK	21 341 840	265
Forward buy	2022	USD	7 500 000	NOK	-64 315 354	1 748
Swap sell	2022	EUR	-65 000 000	NOK	651 663 708	1 326
Swap sell	2022	USD	-30 000 000	NOK	264 582 750	497
Swap sell	2022	JPY	-312 500 000	NOK	23 967 749	25
Swap buy	2022	GBP	2 000 000	NOK	-23 648 564	22
Swap buy	2022	CAD	3 000 000	NOK	-20 612 012	32
Net unrealised gain as of 31.12.2021 - current asset						**47 579**
Net unrealised gain as of 31.12.2020 - current asset						**144 667**

	Year of maturity	**Trade currency**	**Trade amount**	**Against currency**	**Against amount**	**Gain/loss in NOK '000**
Forward sell	2023	USD	-128 000 000	NOK	1 143 497 979	6 872
Forward sell	2024	USD	-118 000 000	NOK	1 064 964 539	12 069
Net unrealised gain as of 31.12.2021 - non-current asset						**18 941**
Net unrealised gain as of 31.12.2020 - non-current asset						**22 793**

	Year of maturity	**Trade currency**	**Trade amount**	**Against currency**	**Against amount**	**Gain/loss in NOK '000**
Forward sell	2022	USD	-68 500 000	NOK	588 250 367	-15 459
Forward sell	2022	JPY	-210 000 000	NOK	15 417 841	-671
Forward buy	2022	GBP	27 300 000	NOK	-326 035 735	-2 934
Forward buy	2022	JPY	1 000 000 000	NOK	-76 687 252	-72
Forward buy	2022	AUD	3 300 000	NOK	-21 389 706	-313
Swap buy	2022	USD	55 000 000	NOK	-485 009 311	-990
Swap buy	2022	EUR	45 000 000	NOK	-449 540 613	-975
Swap buy	2022	JPY	855 000 000	NOK	-66 729 798	-1 161
Swap sell	2022	CAD	-5 500 000	NOK	37 649 078	-230
Swap sell	2022	GBP	-3 000 000	NOK	35 432 586	-96
Embedded derivative	2022	USD	619 453	NOK	6 319 108	-127
Net unrealised loss as of 31.12.2021 - current liability						**-23 027**
Net unrealised loss as of 31.12.2020 - current liability						**-33 658**

GE Healthcare AS

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All figures in NOK '000

Notes to the Financial Statements

	Year of maturity	Trade currency	Trade amount	Against currency	Against amount	Gain/loss in NOK '000
Forward sell	2023	USD	-60 000 000	NOK	523 543 014	-8 928
Net unrealised loss as of 31.12.2021 - non-current liability						**-8 928**
Net unrealised loss as of 31.12.2020 - non-current liability						**0**
Change of unrealised gain/loss on forward contracts						**-99 236**

NOTE 15 GROUP CONTRIBUTION

Current year the company submitted the following taxable group contribution:

Provider	Receiver	Gross	Net
GE Healthcare AS	GE Healthcare Norway Holding AS	2 629 741	2 051 198

Current year the company received the following non-taxable group contribution:

Provider	Receiver	Gross
GE Healthcare Norway Holding AS	GE Healthcare AS	2 629 741

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Telefon
22 07 81 39

Deres dato
15.11.2007

Deres referanse
Pål Elstad

Vår dato
21.11.2007

Vår referanse
2007/501331 /RR-RE/TKH
/812.1

GE Healthcare
Postboks 4220
0401 Oslo

Søknad om fritak fra konsernregnskap

Det vises til Deres brev av 15. november 2007 der De på vegne av GE Healthcare Holding AS (org. nr. 914 829 674) og dennes norske datterselskaper (GE Norge Gruppen) søker om fritak fra å utarbeide konsernregnskap.

GE Norge Gruppen ble frem til og med regnskapsåret 2006 inkludert i underkonsern-regnskapet til GE Medical Holdings AB i Sverige. Som følge av at de norske selskapenes morselskap var hjemmehørende i en EØS stat og utarbeider konsernregnskap som omfatter den regnskapspliktige og dennes datterselskaper, var de norske selskapene unntatt plikten til å utarbeide konsernregnskap.

GE Medical Holdings AB har søkt svenske myndigheter om dispensasjon fra kravet om å utarbeide konsernregnskap. Som følge av dette vil GE Norge Gruppen ikke lengre være del av ett konsernregnskap som utarbeides av et selskap hjemmehørende i EØS. Det søkes derfor om dispensasjon fra kravet om å utarbeide konsernregnskap for GE Norge Gruppen fra og med regnskapskapsåret 2007.

GE Norge Gruppen er en heleid del av General Electric Company (USA) som er notert på New York Stock Exchange. General Electric Company utarbeider årlig konsernregnskap på engelsk språk basert på US GAAP. Dette konsernregnskapet inkluderer i sin helhet GE Norge Gruppen.

Konsernregnskapet til General Electric Company kan innhentes på GE.COM samt vil årlig vedlegges i forbindelse med innsendelse til Brønnøysund.

Skattedirektoratet finner med hjemmel i regnskapsloven av 17. juli 1998 nr. 56 § 3-7 fjerde ledd å kunne gi tillatelse til at det gjøres unntak for konsernregnskapsplikten for GE Norge Gruppen. Det forutsettes at selskapenes morselskap, General Electric Company, utarbeider konsernregnskap som omfatter de regnskapspliktige og deres datterselskaper. Det legges til grunn at dette konsernregnskap er utarbeidet i samsvar med US GAAP og at kravene i regnskapsloven § 3-7 for øvrig følges. Bestemmelsene i regnskapsloven kapittel 8 gjelder tilsvarende for dette konsernregnskapet.

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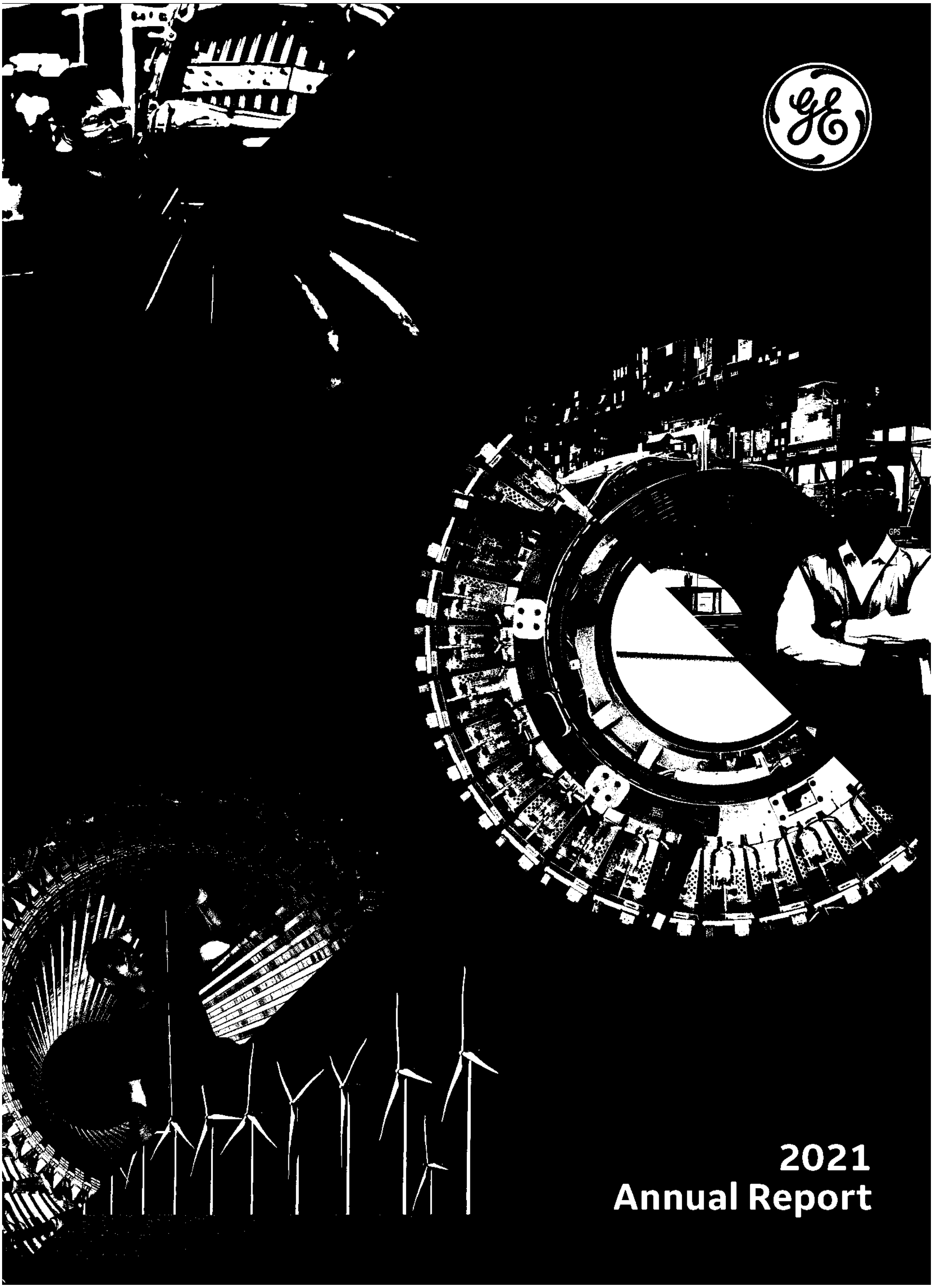
Kopi av dette brev må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet mv. Det påligger den regnskapspliktige å dokumentere ved dette brevet at tillatelse er gitt.

Med hilsen

Jan Hoelstad
seniorrådgiver
Seksjon for revisjon
Retts- og revisjonsavdelingen

Torstein Kinden Helleland



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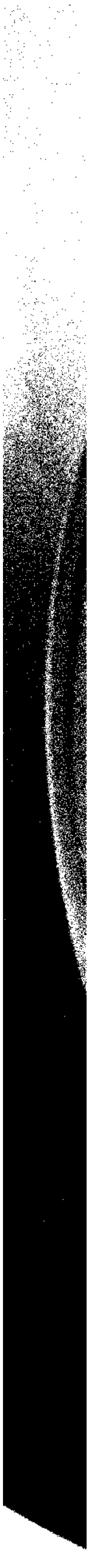


FORWARD-LOOKING STATEMENTS

Some of the information we provide in this document is forward-looking and therefore could change over time to reflect changes in the environment in which GE competes. For details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, see https://www.ge.com/investor-relations/important-forward-looking-statement-information. We do not undertake to update our forward-looking statements.

NON-GAAP FINANCIAL MEASURES

We sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered “non-GAAP financial measures” under the U.S. Securities and Exchange Commission rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures can be found on pages 21–22 and 32–34 of the Management’s Discussion and Analysis within our Form 10-K and in GE’s fourth-quarter 2021 earnings materials posted to ge.com/investor, as applicable.

INSIDE FRONT COVER

The GE Healthcare ecosystem revolves around the delivery of precision health: digitizing healthcare and driving productivity to improve outcomes for patients, providers, health systems, and researchers around the world. Pictured: Tailang Niu of Beijing, China.

COVER

Pictured: Aviation’s Brenda Ewing in Ohio, U.S.A., Healthcare’s Siva Balakrishnan in Wisconsin, U.S.A., and Gas Power’s Shawn Taylor in New York, U.S.A., building a world that works for tomorrow.

Dear Fellow Shareholder,

2021 was a year of historic change for GE. We focused and de-risked the company through strategic portfolio actions, significantly accelerated our debt reduction, and improved our operating performance through lean and decentralization. Despite the global pandemic and supply chain challenges, we persevered and effectively served our customers while continuing to invest in profitable growth with leading technology and innovation. Add to this the resilience of our employees and we exited the year with big opportunities ahead.

We continued to make progress on our transformation and successfully built a new GE; one that is a simpler, stronger, high-tech industrial company. In 2021, we significantly reduced our debt, bringing our total gross debt[1] reduction over three years to $87 billion. Given this ongoing hard work and the dedication of our employees, we are operating from a position of strength, focused on important growth sectors in aviation, healthcare, and energy.

It is with this confidence that we were able to announce in November our plans to transform the company by forming three independent, investment-grade industry leaders with sustainability at their core. We will spin off Healthcare first in early 2023, combine Renewable Energy, Power, and Digital into one business to launch as an independent public company a year later, thus creating our third company focused on Aviation. This is a defining moment for GE, one which will best position each of our businesses to deliver long-term growth and create value for all our stakeholders.

We plan to establish each standalone company with greater focus and flexibility to better serve their customers, respond to distinct industry dynamics, and build deep domain expertise in their respective industries, including a dedicated board of directors. From an employee perspective, we expect each prospective company to provide more business- and industry-oriented career opportunities and incentives, helping us to compete more effectively for talent. And each will have the opportunity to attract a broader and deeper investor base that increasingly wants to be part of more specific industries and missions that have their own appeal. All three companies will have well-capitalized balance sheets and investment-grade ratings that provide a foundation for targeted investments in growth and innovation.

GE has a storied and proud history. For 130 years, people have counted on GE to "find out what the world needs... and try to invent it," as our founder Thomas Edison famously said. This still rings true at GE today and will continue in each of our three future companies. Passionate teams working to find a better way for our customers and the world. I am convinced that the efforts of our employees, collectively and individually, will enable us to successfully execute our strategy. For us at GE, this is more than just a job; it is a purposeful mission—we are building a world that works.

Position of Strength

I am proud of what our company and employees achieved in 2021.

We delivered solid margin* and EPS* performance and $5.8 billion of Industrial free cash flow*[2] for the year. Orders were strong, especially in services, setting us up for faster and more profitable growth going forward. Our top-line results were pressured—partly by our decisions to be more selective in the projects and markets we pursue, partly by market factors like supply chain challenges and uncertainty surrounding the U.S. wind production tax credit, and partly due to our own execution.

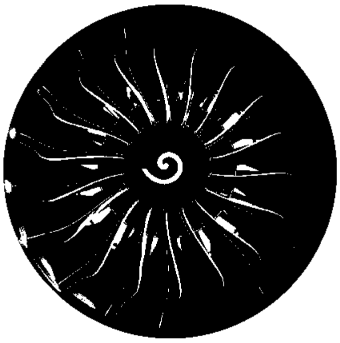
1 Includes borrowings, after tax pension and principal retiree benefit plan liabilities, operating leases, 50% preferred stock, and factoring

2 Based on prior three-column reporting format and excluding the impact from factoring programs discontinued in current and prior periods. For GE's full set of reported metrics against its 2021 Outlook and more information on its transition from three- to one-column financial statement reporting, please see GE's fourth-quarter 2021 earnings materials at ge.com/investor.

* Non-GAAP financial measure

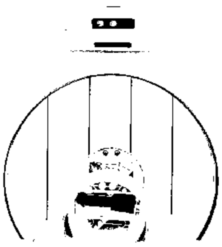
The Shape of Things To Come

Delivering for our future, working on technology that transforms lives.



FUTURE OF FLIGHT

Helping customers achieve greater efficiency and sustainability and invent the future of flight.



PRECISION HEALTH

Driving innovation in precision health to address critical patient and clinical challenges.

ENERGY TRANSITION

Supporting customers and communities seeking to provide affordable, reliable, and sustainable power.

We're seeing momentum in GE today including near-term improvement in our businesses, especially as Aviation recovers and our end markets strengthen. We expect to deliver between $5.5 billion* and $6.5 billion* free cash flow in 2022 and more than $7 billion* in 2023. Our deleveraging efforts will continue, further solidifying our financial position and allowing GE to play more offense through organic and inorganic growth opportunities.

STRONG FINANCIAL POSITION

We took a huge step in 2021 with the close of the GE Capital Aviation Services (GECAS) and AerCap Holdings N.V. (AerCap) transaction, creating an industry leader and strategic partner to airline customers. GE now owns approximately 46 percent of the combined company. This combination was an important catalyst to solidify our financial position. We significantly accelerated our total gross debt[3] reduction by more than $50 billion over the year. Following this, we also report the now much smaller remaining GE Capital business as part of Corporate, enabling us to simplify our financial reporting structure and further enhance transparency for our shareholders.

We are taking action to de-risk our business and drive sustainable, predictable performance. By making the strategic decision to discontinue the majority of our factoring programs, we enable our businesses to get back to basics on billings and collections, and over time, we expect this will facilitate higher and more linear cash flow.

During the GE Kaizen Week, Aviation's Chris Smith "trystormed" possible solutions to improve missed delivery targets including visual management.

IMPROVED BUSINESS AND OPERATING PERFORMANCE

We have continued to strengthen our business, transforming GE into a simpler, leaner, and more effective organization.

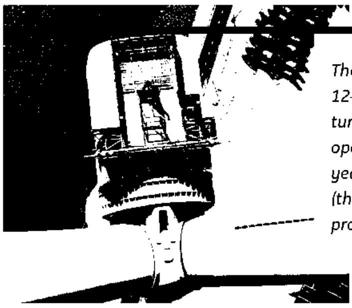
We enter 2022 with lean taking root across the company. In the simplest of terms, lean is about focusing on the customer and eliminating waste to deliver more value to our customers. Our efforts this past year drove sustainable, impactful improvements in safety, quality, delivery, cost, and cash management. Lean is helping GE rebuild our operational core and transform our culture. Combining this with our historical strength in technology and innovation, each of our businesses has a very strong foundation for continued and faster profitable growth.

This customer-centric mindset is building across the company. Our Renewable Energy site in Pensacola, Florida used lean to improve wind turbine yaw-drive assembly, which reduced production time by 20 minutes and contributed to increased shift capacity from four to five units. We expect this capacity increase to enable us to maintain on-time delivery for the 2022 schedule. Aviation's overhaul shops have used lean to decrease turnaround time since 2020, allowing us to return engines to customers faster, and at lower cost. Gas Power Services' business used lean to develop a new playbook for planned

3 Includes borrowings, after tax pension and principal retiree benefit plan liabilities, operating leases, 50% preferred stock, and factoring

* Non-GAAP financial measure

maintenance outage events, which has achieved 30 percent cycle time improvement. Healthcare's Ultrasound team implemented lean principles of pull and daily management to better meet customer needs, resulting in a 13-percentage-point improvement in on-time delivery. These efficiencies are setting a new industry bar for execution and, most importantly, are delivering value and speed to our customers. Taken together with numerous other measures across the company, including 100,000 employees developing new skills through lean learning courses this year, these actions will meaningfully contribute to the success of our operations.



The Haliade-X, the only 12+ MW offshore wind turbine that has been operating for over two years, at its Rotterdam (the Netherlands) prototype site.

We are driving lasting cultural change. Our operating system is standardized—with a monthly focus on key performance indicators and a quarterly look at key priorities of talent, strategy, and budgeting. Our new performance management system is driving greater responsibility at an individual level. In addition, with new reporting of our priorities and progress in sustainability and diversity, we are holding ourselves accountable to make improvements within GE and for the world.

Decentralization goes hand in hand with lean and getting closer to our customers. This means managing the nearly 30 business units within our four segments. We have, therefore, moved the decision-making center of gravity closer to the customer. This will continue to result in greater accountability, more transparency, and better results.

Let's take a closer look at how these efforts reflect how our teams are running our businesses better.

Aviation

Thanks to operational improvements and increasing shop visits, Aviation expanded margins in 2021 to 13.5 percent reported, while revenue was slightly down, in line with departure activity. Orders were up across equipment and services driven by commercial wins driving momentum. We remain confident in the recovery while actively managing the impact of industry-wide material and labor availability challenges due to COVID-19. Our business is positioned to lead as the commercial aftermarket recovers and military grows.

Healthcare

Healthcare felt the impact of supply chain disruptions faster than our other businesses in 2021, but the team proactively managed costs, sourcing, and logistics to deliver solid performance. Orders and organic revenue* were up, and margins expanded 70 basis points organically*, giving the team both the capital and the flexibility to play some offense. In 2021, we acquired BK Medical and Zionexa, two exciting companies helping to realize the potential of precision health.

Renewable Energy

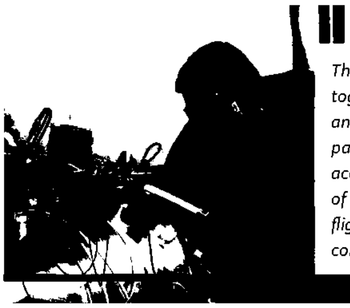
Renewable Energy delivered double-digit orders growth in 2021, but revenue and margin both declined organically*. Onshore Wind is a mature business that faces near-term challenges both structural and of our own making. Offshore Wind demand continues to significantly increase globally, while Grid Solutions is on its way to profitability. Scott Strazik is now leading our energy businesses running a similar play as he ran in Gas Power—being more selective up front about the new business we take on and being more disciplined on cost—and the onus is on us to continue to improve the performance of this business. Long-term, our energy businesses are firmly positioned to lead the energy transition.

Power

In 2021, Power's services growth offset decreases in revenue, driven primarily by our selectivity strategy, which includes lower turnkey scope and exercising more discipline in the projects we choose to underwrite. Margins improved more than 300 basis points organically*. Orders were up slightly, driven by services growth offsetting equipment. Gas Power has stabilized, Steam Power continues to exit the new-build coal power market, Power Conversion grew by double digits, and GE Hitachi Nuclear Energy is partnering with customers on the next generation of nuclear technologies. Looking forward, we'll continue to improve performance by embedding lean principles deeper in the organization, leading to high single-digit margins for the total Power segment in 2023.

Rising to the Challenge of Building a World that Works

GE is positioned to continue to lead in three important growth sectors—creating a smarter and more efficient future of flight, enabling precision health, and driving decarbonization through the energy transition—critical to our customers and the various end-markets that we serve.



This year, GE Aviation together with GE Research announced a new research partnership with NASA to accelerate the introduction of hybrid electric flight technologies for commercial aviation.

FUTURE OF FLIGHT

Starting with Aviation, innovations that improve fuel efficiency are defining the future of flight, and our engines can operate on approved sustainable aviation fuel (SAF) today. Transitioning from petroleum-based fuels to SAF can reduce carbon emissions up to 80 percent, factoring in the entire life cycle of the fuel, significantly contributing to the commercial aviation industry's long-term goal of net-zero carbon emissions from flight by 2050. In December 2021, a United Airlines Boeing 737 MAX 8 powered by CFM LEAP-1B engines became the first passenger flight to use 100 percent “drop-in” SAF for one of the aircraft's two engines. Drop-in SAF can be used interchangeably with conventional jet fuel and requires no modifications to engines and airframes. Customers Etihad Airways, British Airways and many more have also flown commercial flights powered by a SAF fuel blend.

Looking further out, we are innovating for the next generation of aircraft engines. With CFM International, our 50-50 joint company with Safran Aircraft Engines, GE Aviation launched the Revolutionary Innovation for Sustainable Engines (RISE) program to demonstrate advanced technologies, with ground and flight tests expected in the

* Non-GAAP financial measure

Building a World That Works for Tomorrow

Throughout our 130-year history, GE has held a larger purpose of innovating technology to lift the quality of life for people around the globe. Our employees serve customers and communities in more than 175 countries and are passionate about solving the world's most pressing sustainability challenges in energy, health and flight. We work to succeed by:

Innovating breakthrough technologies: GE is innovating tomorrow's critical technologies including carbon capture, hydrogen as a fuel, small modular nuclear reactors, and grid infrastructure and software to accelerate the energy transition. The CFM RISE (Revolutionary Innovation for Sustainable Engines) program will enable the future of smarter, more sustainable flight. And Healthcare's Vscan technologies provide a pocket-size

middle of this decade. This program could ultimately lead to engines that would use 20 percent less fuel and produce more than 20 percent fewer CO_2 emissions than the most efficient jet engines built today. And GE Aviation together with GE Research is advancing commercial hybrid electric propulsion systems through key partnerships with ARPA-E and NASA. We are prioritizing the future of aviation now for a more sustainable future.

PRECISION HEALTH

Enabling precision health—integrated, efficient, and highly personalized care—is vital to addressing critical challenges that affect patients and healthcare providers.

At a patient level, Healthcare's acquisition of BK Medical, an advanced surgical visualization company whose technology helps clinicians see inside the patient's body in real time during surgery, will enable better care, faster surgeries, and reduced complications. Healthcare is focused on supporting the entire continuum of care for patients from diagnosis through therapy and beyond. To do this well, we work every day on improving our own operations. For example, Healthcare's Pharmaceutical Diagnostics team in Ireland applied lean thinking to create, test, and implement new workflow and preparation sequences that reduced production turnaround times. These changes resulted in extra production capacity of more than two million bottles of contrast media, which is used during medical imaging exams to enable better visualization and diagnosis. In 2021, Healthcare introduced its latest pocket-size color ultrasound scanner, Vscan Air, a handheld, wireless device that beams images from the ultrasound probe to an app on a smartphone—bringing an essential tool to the point of care. With 30,000 units in more than 100 countries, our Vscan Family technologies help doctors deliver expanded care to more people, including in rural regions.

As the healthcare system continued to contend with COVID-19 in 2021, GE Healthcare implemented a statewide system in Oregon powered by artificial intelligence to give clinicians near real-time information about intensive care unit (ICU) capacity, acute hospital beds and emergency department wait times. In one instance, the Oregon Care System was able to identify the nearest ICU to airlift a critically ill patient to and alert the ambulance crew to pack several liters of the patient's blood type in the helicopter's coolers. To date, 65 of the hospitals in Oregon—approximately 95 percent of the state's beds—are live in the system.

ENERGY TRANSITION

As a company whose equipment helps generate one-third of the world's electricity, we have a responsibility to lead the industry's decarbonization efforts and meet the rising global demand for affordable, reliable, and sustainable energy. Our energy businesses provide powerful, integrated solutions with some of the most innovative onshore and offshore wind turbines, most efficient gas turbines, as well as advanced technology to modernize and digitize electrical grids.

James Thomas from our Gas Power manufacturing plant in Greenville, S.C., installs a stator blade assembly for the 7HA turbine. Two 7HA turbines along with other GE technology will help deliver up to 1,050 MW for Seminole Electric in Putnam County, Florida.

We believe in the important role of building the breakthrough technologies the world will need in the future, including carbon capture, utilization, and sequestration (CCUS), low- and zero-carbon fuels like hydrogen for new and existing gas plants, and small modular nuclear reactors. Our gas turbines have already accumulated more than eight million hours running on blends of hydrogen and similar fuels. Fuels such as clean hydrogen could help avoid millions of tons of CO_2 emissions to the atmosphere by the end of the decade, and we are building or modifying power plants in the U.S., Australia, and China designed to utilize blends of hydrogen and natural gas as fuel. The Brentwood Power Station in New York is beginning a demonstration project to run on a blend of natural gas and carbon-free "green hydrogen."

We know it will take several years for some of these advances to become technologically and commercially viable and widely adopted in many parts of the world. Thus, while GE works on breakthrough technologies for tomorrow, we continue to build and deliver state-of-the-art equipment the world needs today to decarbonize the energy sector while building resilience in more than 175 countries around the world.

ultrasound scanner to help doctors deliver expanded care to more people, including in rural regions.

Prioritizing partnerships: We are partnering across all our stakeholders—customers, investors, governments, NGOs, and our competitors—to ensure the necessary progress for sustainability. For example, Healthcare is collaborating with Boston Scientific to bring a comprehensive cardiology offering to cardiac care centers in Southeast Asia.

Supporting policies: We are proud of the role we played supporting global action at the 2021 United Nations Climate Change Conference, and in 2022 we will increasingly engage to help formulate and support policies that advance sustainability goals and a just transition globally.

Pictured left:
Joan Akiru
Renewable Energy, Kenya

Jeff Goldmeer
Power, U.S.A.

Afis Ajala
Research, U.S.A.

Pictured right:
N Shuba
Healthcare, India

Theresa Campbell
Digital, U.S.A.

Gurhan Andac
Aviation, U.S.A.

Gas turbines are crucial for providing reliable baseload electricity to complement large wind projects like the 1.05-gigawatt Western Spirit project just commissioned in New Mexico and the 1.485-gigawatt North Central wind farm under construction in Oklahoma. Both wind farms are using wind turbines from our 2-megawatt (MW) family, which has become a stalwart of the industry, with more than 20 gigawatts (GW) of installed capacity. Also, our powerful Haliade-X offshore wind turbine prototype in Rotterdam began operating at 14 MW. One Haliade-X turbine can save up to 52,000 metric tons of CO_2, the equivalent of the emissions generated by 11,000 vehicles, in one year.[4] We have over 7 GW of Haliade-X commitments worldwide.

Our software is helping digitize the grid to add more renewable energy and make it more resilient. Leveraging our software, utilities can integrate a high penetration of renewables while sustaining grid reliability and resiliency. In addition, data on past outages and weather patterns, for instance, can help pinpoint future spots of vulnerability during a storm—so utilities can speed up repairs and minimize downtime. In 2021, GE Digital acquired grid management software company Opus One to help utilities bring more distributed energy resources online. Our software is paving the way to an autonomous grid that can detect problems and come up with the most efficient solutions, a critical step in accelerating the energy transition.

This is the impact of GE—every day our people rise to the challenge of building a world that works, in service of a more connected, healthier, and more sustainable future.

Delivering Value Now and in the Future

Today, GE is a stronger, more customer-centric company. We are building a culture that puts safety at the forefront and lean at the center. This clarity of mission provides compelling opportunities for our businesses to define the trajectory of their industries—we shape the future of flight, advance precision health and lead the energy transition—and we do it by getting better every day.

Take for instance, our work in Lynn, Massachusetts, where I spent a week serving those closest to the work, our operators, as part of a global lean event in early October. Our mission was to improve first-time yield on midframes, a key subassembly of the military engines we produce in Lynn, whose stubborn variability has been negatively impacting our on-time delivery to customers. By the end of the week, we had improved processes for welding and quality checks on midframe parts, improvements that are now delivering 99 percent first-time yield, as compared with 59 percent before the lean event. We are convinced these improvements, when applied with scale, will help us reach our goals for military on-time delivery. And we can improve our performance on the back of these changes for years to come. These constant, incremental changes make us a more efficient, profitable business.

As a company with momentum, we are positioned to succeed in the biggest transformation in our history—creating three companies focused on the critical global needs in aviation, healthcare, and energy. Our employees are essential to the success of these businesses, and we will offer them industry-leading opportunities and incentives to advance their careers. We are fortunate to have experienced leaders in place, already at work to execute this planned transformation and stand up each of these businesses for success on day one.

These independent businesses will take forward the "core of GE" while better leveraging our innovation muscles, technology expertise, leadership, and global reach to build a world that works for everyone.

2021 was a meaningful year for GE. The future starts now, and we are embracing it.

H. LAWRENCE CULP, JR.
Chairman of the Board and Chief Executive Officer
February 11, 2022

[4] According to wind conditions on a typical German North Sea site

How GE Performed in 2021

Dollars in millions; except per-share amounts

Total Company

PURPOSE We rise to the challenge of building a world that works
CEO H. Lawrence Culp, Jr.
EMPLOYEES ~168,000
GLOBAL OPERATIONS ~170 countries

GAAP	FY21	FY20	Y/Y REPORTED
Total Revenues	$74,196	$75,833	(2)%
Profit	$(3,683)	$5,970	U
Profit Margin	(5.0)%	7.9%	(1,290)bps
Continuing EPS	$(3.25)	$5.46	U
Net EPS	$(6.16)	$4.63	U
Cash from Operating Activities (CFOA)	$888	$1,025	(13)%
Orders	$79,418	$71,979	10%
Backlog	$428,121	$386,520	11%

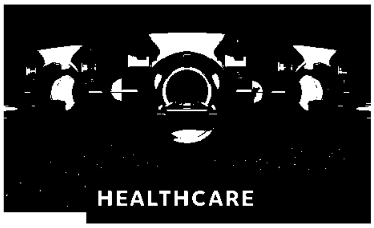
NON-GAAP*	FY21	FY20	Y/Y
Organic Revenues	$70,125	$71,589	(2)%
Adjusted profit	$4,608	$2,246	F
Adjusted profit margin	6.5%	3.1%	340bps
Adjusted EPS	$1.71	$(0.07)	F
Free cash flow (FCF)	$1,889	$635	F

FY21 Industrial Free Cash Flow* (prior 3-column reporting format)[1]
$5,092
$5,831, *excluding discontinued factoring*[2]

* Non-GAAP financial measure
1 For GE's full set of reported metrics against its 2021 Outlook and more information on its transition from three- to one-column financial statement reporting, please see GE's fourth-quarter 2021 earnings materials at ge.com/investor.
2 Excluding the impact from factoring programs discontinued in current and prior periods
3 Including GE and its joint venture partners
U Unfavorable
F Favorable

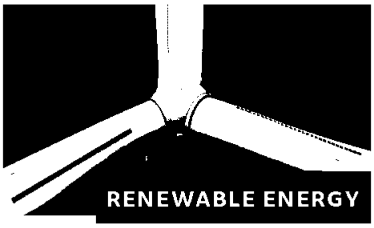
MISSION Providing customers with engines, components, avionics and systems for commercial, military and business & general aviation aircraft and a global service network to support these offerings
UNITS Commercial, Military, Systems & Other
INSTALLED BASE ~39,400 commercial aircraft engines[3] and ~26,200 military aircraft engines
CEO John Slattery
EMPLOYEES ~40,000

	FY21	FY20	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$21,310	$22,042	(3)%	(3)%
Profit/Loss	$2,882	$1,229	F	F
Profit/Loss Margin	13.5%	5.6%	790bps	780bps
Segment FCF*	$4,315	$(34)	F	
Orders	$25,589	$21,590	19%	19%
Backlog	$303,441	$260,412	17%	



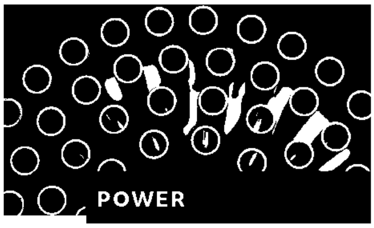
MISSION Improving lives in moments that matter; operating at the center of an ecosystem working toward precision health—digitizing healthcare, helping drive productivity and improving outcomes
UNITS Healthcare Systems, Pharmaceutical Diagnostics
INSTALLED BASE 4M+ installations, 2B+ patient exams per year
CEO Peter Arduini
EMPLOYEES ~48,000

	FY21	FY20	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$17,725	$18,009	(2)%	1%
Profit/Loss	$2,966	$3,060	(3)%	6%
Profit/Loss Margin	16.7%	17.0%	(30)bps	70bps
Segment FCF*	$2,705	$2,863	(6)%	
Orders	$19,596	$18,645	5%	10%
Backlog	$19,205	$17,100	12%	



MISSION Making renewable power sources more affordable, reliable, and accessible for the benefit of people everywhere
UNITS Onshore Wind, Offshore Wind, Grid Solutions Equipment and Services, Hydro Solutions, Hybrids Solutions
INSTALLED BASE 400+ GW of renewable energy equipment
CEO Jérôme Pécresse
EMPLOYEES ~38,000

	FY21	FY20	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$15,697	$15,666	—%	(2)%
Profit/Loss	$(795)	$(715)	(11)%	(6)%
Profit/Loss Margin	(5.1)%	(4.6)%	(50)bps	(40)bps
Segment FCF*	$(1,395)	$(641)	U	
Orders	$18,163	$16,328	11%	11%
Backlog	$31,511	$30,001	5%	



MISSION Powering lives and making electricity more affordable, reliable, accessible, and more sustainable
UNITS Gas Power, Power Portfolio
INSTALLED BASE 7,000+ gas turbines
CEO Scott Strazik
EMPLOYEES ~32,000

	FY21	FY20	Y/Y REPORTED	Y/Y ORGANIC*
Revenues	$16,903	$17,589	(4)%	(4)%
Profit/Loss	$726	$274	F	F
Profit/Loss Margin	4.3%	1.6%	270bps	320bps
Segment FCF*	$929	$15	F	
Orders	$16,412	$15,986	3%	2%
Backlog	$74,270	$79,575	(7)%	

United States Securities and Exchange Commission

WASHINGTON, D.C. 20549

FORM 10-K

☑ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2021
Commission file number 001-00035

GENERAL ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

New York	**14-0689340**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5 Necco Street Boston MA	**02210**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **(617) 443-3000**

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	GE	New York Stock Exchange
0.375% Notes due 2022	GE 22A	New York Stock Exchange
1.250% Notes due 2023	GE 23E	New York Stock Exchange
0.875% Notes due 2025	GE 25	New York Stock Exchange
1.875% Notes due 2027	GE 27E	New York Stock Exchange
1.500% Notes due 2029	GE 29	New York Stock Exchange
7 1/2% Guaranteed Subordinated Notes due 2035	GE /35	New York Stock Exchange
2.125% Notes due 2037	GE 37	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.☑

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

The aggregate market value of the outstanding common equity of the registrant not held by affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was at least $116.5 billion. There were 1,099,321,882 shares of common stock with a par value of $0.01 outstanding at January 31, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's Annual Meeting of Shareholders, to be held May 4, 2022, is incorporated by reference into Part III to the extent described therein.

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FORWARD-LOOKING STATEMENTS. Our public communications and SEC filings may contain statements related to future, not past, events. These 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," "will," "would," "estimate," "forecast," "target," "preliminary," or "range." Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the impacts of the COVID-19 pandemic on our business operations, financial results and financial position and on the global supply chain and world economy; our expected financial performance, including cash flows, revenues, organic growth, margins, earnings and earnings per share; macroeconomic and market conditions and volatility; planned and potential transactions, including our plan to pursue spin-offs of our Healthcare business and our combined Renewable Energy, Power and Digital businesses; our de-leveraging plans, including leverage ratios and targets, the timing and nature of actions to reduce indebtedness and our credit ratings and outlooks; our funding and liquidity; our businesses' cost structures and plans to reduce costs; restructuring, goodwill impairment or other financial charges; or tax rates.

For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include:

- our success in executing and completing asset dispositions or other transactions, including our plan to pursue spin-offs of our Healthcare business and our combined Renewable Energy, Power and Digital businesses, and our plans to exit our equity ownership positions in Baker Hughes and AerCap, the timing of closing for such transactions, the ability to satisfy closing conditions, and the expected proceeds, consideration and benefits to GE;
- the continuing severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic, of businesses' and governments' responses to the pandemic and of individual factors such as aviation passenger confidence, on our operations and personnel, on commercial activity and demand across our and our customers' businesses, and on global supply chains;
- the extent to which the COVID-19 pandemic and related impacts, including global supply chain disruptions and price inflation, will continue to adversely impact our business operations, financial performance, results of operations, financial position, the prices of our securities and the achievement of our strategic objectives;
- changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including inflation, interest rates, the value of securities and other financial assets (including our equity ownership positions in Baker Hughes and AerCap, and expected equity interest in the Healthcare business after its spin-off), oil, natural gas and other commodity prices and exchange rates, and the impact of such changes and volatility on our financial position and businesses;
- our de-leveraging and capital allocation plans, including with respect to actions to reduce our indebtedness, the timing and amount of GE dividends, organic investments, and other priorities;
- downgrades of our current short- and long-term credit ratings or ratings outlooks, or changes in rating application or methodology, and the related impact on our liquidity, funding profile, costs and competitive position;
- our liquidity and the amount and timing of our cash flows and earnings, which may be impacted by customer, supplier, competitive, contractual and other dynamics and conditions;
- capital and liquidity needs associated with our financial services operations, including in connection with our run-off insurance operations and Bank BPH, the amount and timing of any required capital contributions and any strategic actions that we may pursue;
- global economic trends, competition and geopolitical risks, including changes in the rates of investment or economic growth in key markets we serve, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, and related impacts on our businesses' global supply chains and strategies;
- market developments or customer actions that may affect demand and the financial performance of major industries and customers we serve, such as secular, cyclical and competitive pressures in our Power business; pricing, the timing of customer investment and other factors in renewable energy markets; demand for air travel and other dynamics related to the COVID-19 pandemic; conditions in key geographic markets; and other shifts in the competitive landscape for our products and services;
- operational execution by our businesses, including the success in improving operational performance at our Renewable Energy business, and the performance of our Aviation business amidst the ongoing market recovery;
- changes in law, regulation or policy that may affect our businesses, such as trade policy and tariffs, regulation and incentives related to climate change (including extension of the U.S. wind Production Tax Credit), and the effects of tax law changes;
- our decisions about investments in research and development, and new products, services and platforms, and our ability to launch new products in a cost-effective manner;
- our ability to increase margins through implementation of operational changes, restructuring and other cost reduction measures;
- the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of Alstom and other investigative and legal proceedings;
- the impact of actual or potential failures of our products or third-party products with which our products are integrated, and related reputational effects;
- the impact of potential information technology, cybersecurity or data security breaches at GE or third parties; and
- the other factors that are described in "Risk Factors" in this form 10-K report.

These or other 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. This document includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

ABOUT GENERAL ELECTRIC. General Electric Company (General Electric, GE or the Company) is a high-tech industrial company that operates worldwide through its four segments, Aviation, Healthcare, Renewable Energy, and Power. Our products include commercial and military aircraft engines and systems; healthcare systems and pharmaceutical diagnostics; wind and other renewable energy generation equipment and grid solutions; and gas, steam, nuclear and other power generation equipment. We have significant global installed bases of equipment across these sectors, and services to support these products are also an important part of our business alongside new equipment sales. As described further below, in November 2021 we announced a strategic plan to form three industry-leading, global, investment-grade public companies from our (i) Aviation business, (ii) Healthcare business and (iii) combined Renewable Energy, Power and Digital businesses. This section provides an overview of GE's business at a consolidated level. See the Segment Operations section within Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) for more details about segment-level business descriptions, product and service offerings and competitive, regulatory and other trends, dynamics and developments. See also the Consolidated Results section within MD&A and Note 2 to the consolidated financial statements for information regarding our announced and recent business portfolio actions.

We serve customers in over 175 countries. Manufacturing and service operations are carried out at 71 manufacturing plants located in 26 states in the United States and Puerto Rico and at 130 manufacturing plants located in 33 other countries.

Over our 130-year history, GE's innovation and technology have improved quality of life around the world. GE's businesses today are working to adapt and innovate solutions to three of the world's most pressing challenges: the future of smarter and more efficient flight, precision healthcare that personalizes diagnoses and treatments and the energy transition to drive decarbonization.

- **Future of flight** – The future of flight will be defined by how the aviation industry emerges from the current market cycle and innovates to lower emissions and improves fuel efficiency. The focus on long-term sustainability has accelerated notwithstanding the significant challenges that the industry has faced, and continues to face, with the significant disruptions and decreases in commercial air travel globally in connection with the Coronavirus Disease 2019 (COVID-19) pandemic. Our Aviation business over many decades has contributed to advances in engine architectures, aerodynamics and materials and the use of sustainable aviation fuels that have resulted in today's aircraft engines consuming significantly less fuel with lower emissions. The Aviation business continues to invest in and work toward development of the next suite of engine technologies, including open fan architectures, hybrid electric and electrical propulsion concepts and advanced thermal management concepts, that offer the potential for future efficiency improvements and emission reductions to meet our customers' needs and global standards governing commercial aviation.
- **Precision health** – The healthcare industry faces the need to address productivity challenges by improving access, enabling more precise patient diagnosis and treatment, shortening hospital stays and wait times and lowering overall costs. Amidst the limited resources and burdens on healthcare systems, both from the COVID-19 pandemic recently and from aging populations more generally, these challenges are even more pronounced. Our Healthcare business is working to help support the future of healthcare that will merge clinical medicine and data science by applying advanced analytics and artificial intelligence across the patient journey. With its products, services and digital capabilities, the Healthcare business is focused on building an intelligence-based healthcare system and a healthier world and greater access to the half of the world's population that is underserved.
- **Energy transition** – Addressing climate change is an urgent global priority, and at the same time energy demand is increasing and roughly one billion people around the world are without access to reliable power. Our Renewable Energy and Power businesses play a central role in helping our customers meet this demand for electricity generation while lowering carbon intensity and making power generation more reliable, affordable and sustainable. These businesses' technology and expertise include onshore and offshore wind turbines, gas turbines and digital controls and hardware solutions that bring more renewables onto power grids while making the grid more resilient. Increasingly there is a focus on the potential for breakthrough technologies that can help drive deeper decarbonization of the power sector in the future, such as small modular or other advanced nuclear power, hydrogen and carbon capture. Progress in significantly reducing power sector emissions in the near term, while significantly accelerating technological innovation for higher renewable penetration and lower carbon-power generation, will also enable further emission reductions of other sectors through the electrification of transportation, heat and industry.

We believe our businesses' strategies and focus on these significant global challenges are well aligned with broader goals of sustainable development, and we approach sustainability with GE's commitment to innovation as a central element. Sustainability priorities are embedded in our policies, leadership engagement, operating mechanisms, commitments, and, ultimately, our products. In addition to working to develop technologies that will help build a more sustainable world, we advance GE's sustainability priorities through our own commitments to our people, communities and planet. More information that may be of interest to a variety of stakeholders about GE's sustainability approach, priorities and performance, including about safety, greenhouse gas emission reductions for our own operations and for our products, environmental stewardship, diversity and inclusion (as also discussed further below), supply chain and human rights and other matters, can be found in our Sustainability Report.

In all of our global business activities, we encounter aggressive and able competition. In many instances, the competitive environment is characterized by changing technology that requires continuing research and development. With respect to manufacturing operations, we continue to make improvements through deployment of lean initiatives and we believe that, in general, we are one of the leading firms in most of the major industries in which we participate.

As a diverse global company, we are affected by economic and market developments around the world, supply chain disruptions, instability in certain regions, commodity prices, foreign currency volatility and policies regarding trade and imports. See the Segment Operations section within MD&A for further information. Other factors impacting our business include:

- product development cycles for many of our products are long and product quality and efficiency are critical to success;
- research and development expenditures are important to our business;
- many of our products are subject to a number of regulatory standards; and
- changing end markets, including shifts in energy sources and demand related to cost, decarbonization efforts and other factors, as well as the impact of technology changes.

The strength and talent of our workforce are critical to the success of our businesses, and we continually strive to attract, develop and retain personnel commensurate with the needs of our businesses in their operating environments. The Company's human capital management priorities are designed to support the execution of our business strategy and improve organizational effectiveness.

As we execute on the Company's strategy in the coming years, our focus on organizational performance and talent will remain front and center. We will continue to monitor various factors across our human capital priorities, including as a part of our business operating reviews during the year and with oversight by our Board of Directors and the Board's Management Development and Compensation Committee. The following are our human capital priorities:

- **Protecting the health and safety of our workforce:** GE is committed to establishing and maintaining effective health and safety standards and protocols across our businesses, making continuous process improvements and providing ongoing education. In 2021, we hired a Chief Safety Officer and launched a Safety Promotion Office to augment our safety program, leveraging lean as a critical tool to prevent injuries and incidents and drive safety as a core operational attribute for the businesses.
- **Sustaining a Company culture based in leadership behaviors of humility, transparency and focus, with a commitment to unyielding integrity:** GE's organizational culture supports talent attraction, engagement and retention and promotes ways of working that are strongly connected to our goals. In late 2020, we announced the launch of a new performance management system, "People, Performance, and Growth," in which individual performance outcomes are directly linked to incentive compensation. Supporting our culture of integrity, The Spirit & The Letter, GE's employee code of conduct, sets forth the Company's integrity and compliance standards.
- **Developing and managing our talent to best support our organizational goals:** GE's approach to talent management aims to ensure strong individual and company performance; our employee training and development offerings are designed to support these goals. As a key pillar of our talent strategy, GE's senior management leads an annual organization and talent review for each business. In 2020, to support our lean culture transformation, we launched two new lean leadership development programs designed to elevate high potential executive level talent who can lead us towards a more sustainable future. Developed in partnership with our existing leaders, our leadership development programs are premised upon a rigorous learning process tied directly to outcomes, with a focus on hands-on, experiential learning and building a lean mindset.
- **Promoting inclusion and diversity across the enterprise:** At GE, we are committed to building a more diverse workforce and a more inclusive workplace by focusing on transparency, accountability and community. We believe in the value of each person's unique identity, background and experiences, and are committed to fostering an inclusive culture in which all employees feel empowered to do their best work because they feel accepted, respected and that they belong. In 2021, we began publishing a Diversity Annual Report to transparently share our diversity data and hold ourselves accountable for continuous improvement. To support our inclusion and diversity goals, we have a GE Chief Diversity Officer and Chief Diversity Officers in each business unit. Additionally, we have several Employee Resource Groups which have added value to our colleagues and businesses by helping to engage and develop diverse talent for nearly 30 years. These groups accelerate development through mentoring, learning, networking, organizing outreach and service activities, and they address challenges that are important to their members and the Company through targeted initiatives. These groups also support our goals to build a diverse talent pipeline through efforts such as partnering with organizations to raise money for scholarship funds and promoting professional development opportunities.

At year-end 2021, General Electric Company and consolidated affiliates employed approximately 168,000 people, of whom approximately 55,000 were employed in the United States. Our Aviation, Healthcare, Renewable Energy, and Power segments employed approximately 40,000, 48,000, 38,000, and 32,000 people, respectively. In addition, Corporate employed approximately 11,000 employees, including legacy GE Capital employees. Compared to the year-end 2020 figure of 174,000, the number of those employed at year-end 2021 decreased primarily as a result of restructuring.

In the United States, GE has approximately 5,750 union-represented manufacturing and service employees, the majority of whom are covered by four-year collective bargaining agreements ratified in August 2019. GE's relationship with employee-representative organizations outside the U.S. takes many forms, including in Europe where GE engages employees' representatives' bodies such as works councils and trade unions in accordance with local law.

We are subject to numerous U.S. federal, state and foreign laws and regulations covering a wide variety of subject matters related to our products, services and business operations, including requirements regarding the protection of human health and safety and the environment. Relevant laws and regulations can apply to our business directly and indirectly, such as through the effect that laws and regulations applicable to our customers may have in influencing the products and services they purchase from us. Like other industrial manufacturing companies that operate in the sectors we serve, which are high-tech, increasingly digitally connected and global, we face significant scrutiny from both U.S. and foreign governmental authorities with respect to our compliance with laws and regulations. Many of the sales across our businesses are also made to U.S. or foreign governments, regulated entities such as public utilities, state-owned companies or other public sector customers, and these types of sales often entail additional compliance obligations. For further information about government regulation applicable to our businesses, see the Segment Operations section within MD&A, Risk Factors and Note 22.

We own, or hold licenses to use, numerous patents. New patents are continuously being obtained through our research and development activities. Patented inventions are used both within the Company and are licensed to others. GE is a trademark and service mark of General Electric Company.

Because of the diversity of our products and services, as well as the wide geographic dispersion of our production facilities, we use numerous sources for the wide variety of raw materials needed for our operations.

ADDITIONAL INFORMATION ABOUT GE. General Electric's address is 1 River Road, Schenectady, NY 12345-6999; we also maintain executive offices at 5 Necco Street, Boston, MA 02210. GE's Internet address at www.ge.com, Investor Relations website at www.ge.com/investor-relations and our corporate blog at www.gereports.com, as well as GE's Facebook page, Twitter accounts and other social media, including @GE_Reports, 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. Additional information on non-financial matters, including our Sustainability Report, environmental and social matters, our integrity policies and our Diversity Annual Report, is available at www.ge.com/sustainability and www.ge.com/about-us/diversity. All of such additional information referenced in this report (including the information contained in, or available through, other reports and websites) is provided as a convenience and is not incorporated by reference herein. Therefore, such information should not be considered part of this report.

Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available, without charge, on our website, www.ge.com/investor-relations/events-reports, as soon as reasonably practicable after they are filed electronically with the U.S. Securities and Exchange Commission (SEC). Copies are also available, without charge, from GE Corporate Investor Communications. Reports filed with the SEC may be viewed at www.sec.gov.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A). The consolidated financial statements of General Electric Company are prepared in conformity with U.S. generally accepted accounting principles (GAAP). Unless otherwise noted, tables are presented in U.S. dollars in millions. Certain columns and rows within tables may not add due to the use of rounded numbers. Percentages presented in this report are calculated from the underlying numbers in millions. Discussions throughout this MD&A are based on continuing operations unless otherwise noted. The MD&A should be read in conjunction with the Financial Statements and Notes to the consolidated financial statements.

In the accompanying analysis of financial information, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with GAAP. Certain of these data are considered "non-GAAP financial measures" under SEC rules. See the Non-GAAP Financial Measures section for the reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures.

CHANGES IN FINANCIAL REPORTING. On November 1, 2021, we completed the combination of our GE Capital Aviation Services (GECAS) business with AerCap Holdings N.V. (AerCap). Upon completion of this transaction, in order to focus on our core industrial businesses of Aviation, Healthcare, Renewable Energy and Power, we voluntarily transitioned from three-column to simpler one-column reporting for all periods presented.

Previously, we presented our financial statements in a three-column format, which allowed investors to see our industrial operations separately from our financial services operations (GE Capital). Moving to one-column consolidated financial statements reflects the reduction in size of our financial services portfolio as a result of various strategic actions taken over recent years.

We also made these related reporting changes for all periods presented:

- began presenting the results of the remainder of our former Capital segment, including Energy Financial Services (EFS) and our run-off insurance operations, within Corporate;
- reclassified amounts related to our EFS, Working Capital Solutions (WCS) and Treasury businesses from our formerly captioned GE Capital revenues from services to Other income to align with our industrial segment presentation of derivative, equity method and other investment income. There was no change to the presentation of our run-off Insurance revenues and, consequently, our run-off Insurance revenues are now presented as a separate line in our Statement of Earnings (Loss);
- reclassified our formerly captioned Financing receivables and Other GE Capital receivables to All other assets to further simplify our Statement of Financial Position given the reduction of these balances over time in relation to consolidated total assets;
- ceased referring to GE Industrial, a term formerly defined as the adding together of all industrial affiliates giving effect to the elimination of transactions among such affiliates. Therefore, all key performance indicators and non-GAAP financial metrics previously identified as pertaining to GE Industrial have been redefined to reflect total company results; and
- redefined the basis on which profit is determined for the remainder of our former Capital segment which is now reported within Corporate. Previously, Interest and other financial charges, income taxes, non-operating benefit costs and preferred stock dividends were included in determining our former Capital segment profit (which we sometimes referred to as net earnings). To align with our industrial segments, these items are now excluded in determining profit for all businesses reported within Corporate except EFS, which will continue to be reported on a net earnings basis given the integral nature of Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) in relation to its business model.

In addition, effective December 31, 2021, we have changed the way we present sales of spare parts, upgrade equipment and other aftermarket goods that are used in the provision of our services in our Statement of Earnings (Loss) to conform with the way we manage the businesses and have historically presented them in MD&A and other related notes. Specifically, we now consistently present sales of spare parts used in a service arrangement as part of Sales of services and the related costs as Costs of services sold. See Note 1 for further information.

CONSOLIDATED RESULTS

SIGNIFICANT DEVELOPMENTS. GE announced it plans to form three public companies focused on the growth sectors of aviation, healthcare and energy. In November 2021, we announced a strategic plan to form three industry-leading, global, investment-grade public companies from our (i) Aviation business, (ii) Healthcare business and (iii) Renewable Energy, Power and Digital businesses that we will combine. We intend to pursue a tax-free spin-off of Healthcare in early 2023, creating a pure play company at the center of precision health, and we expect to retain a stake of 19.9% in the new company. We intend to pursue a tax-free spin-off of the combined Renewable Energy, Power and Digital businesses in early 2024, and that new company will be positioned to lead the energy transition. Following these transactions, GE will be an aviation-focused company, shaping the future of flight. As independently run companies, each can benefit from greater focus, tailored capital allocation, and strategic flexibility to deliver long-term growth and create value for customers, investors and employees. The respective capital structures, brands and leadership teams for each independent company will be determined and announced later.

Coronavirus Disease 2019 (COVID-19) Pandemic. The COVID-19 pandemic has impacted global economies, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors. Since the latter part of the first quarter of 2020, these factors have had a material adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in industries that we serve. While factors related directly and indirectly to the COVID-19 pandemic have been impacting operations and financial performance at varying levels across all our businesses, the most significant impact to date has been at our Aviation segment. For details about impacts related to our businesses and actions we have taken in response, as applicable, refer to the respective segment sections within MD&A. We anticipate that our operations and financial performance will continue to be impacted by the COVID-19 pandemic in future periods. These impacts will ultimately depend on many factors that are not within our control, including the severity and duration of the pandemic; governmental, business and individuals' actions in response to the pandemic; the emergence of COVID-19 virus variants; and the development, availability and public acceptance of effective treatments and vaccines.

GECAS. On November 1, 2021, we completed the combination of our GECAS business with AerCap and received $22.6 billion in cash, subject to future closing adjustments, 111.5 million shares of AerCap common stock (approximately 46% ownership interest) valued at approximately $6.6 billion based on AerCap's closing share price on October 29, 2021, and a $1.0 billion AerCap senior note. In connection with the closing of the transaction, the Company recorded a non-cash after-tax charge of $3.9 billion in discontinued operations in 2021, including a loss of $0.2 billion in the fourth quarter. Additionally, we have elected to prospectively measure our investment in AerCap at fair value and expect to have continuing involvement with AerCap, primarily through our ownership interest and ongoing sales or leases of products and services. We expect to fully monetize our stake in AerCap over time. See Notes 2 and 3 for further information.

Liability Management Actions. During 2021, we completed debt tenders to repurchase a total of $32.6 billion of debt, comprising $7.3 billion in the second quarter of 2021 and $25.3 billion in the fourth quarter of 2021. The total after-tax loss on these actions was $6.1 billion ($6.5 billion pre-tax), comprising an after-tax loss of $1.1 billion ($1.4 billion pre-tax) in the second quarter of 2021 and an after-tax loss of $5.0 billion ($5.1 billion pre-tax) in the fourth quarter of 2021. The majority of the loss relates to the present value of accelerating future interest payments associated with the debt. As a result of these actions, we expect lower interest expense going forward.

Factoring. Effective April 1, 2021, we discontinued the majority of our factoring programs and in the fourth quarter of 2021, we subsequently discontinued our remaining unconsolidated receivables facility. For the nine months ended December 31, 2021, the adverse impact to GE businesses' cash flows from operating activities (CFOA) was $5.1 billion, including $1.6 billion related to the unconsolidated receivables facility in the fourth quarter, which primarily represents the cash that our industrial businesses would have otherwise collected in the period had customer receivables not been previously sold and is excluded from free cash flows*. The adverse CFOA impact associated with activity in factoring programs that have now been discontinued was $5.8 billion for the year ended December 31, 2021.

Reverse Stock Split. In the second quarter of 2021, we announced that we would proceed with the 1-for-8 reverse stock split, as approved by shareholders, and filed an amendment to our certificate of incorporation to effectuate the reverse stock split after the close of trading on July 30, 2021. GE common stock began trading on a split-adjusted basis on August 2, 2021. Our shares of outstanding common stock and earnings per share calculation have been retroactively restated for all periods presented.

BK Medical. In the fourth quarter of 2021, we acquired BK Medical, a leader in surgical ultrasound imaging and guidance, from Altaris Capital Partners for a cash purchase price of $1.5 billion.

*Non-GAAP Financial Measure

SUMMARY OF 2021 RESULTS. Total revenues were $74.2 billion, down $1.6 billion for the year, driven primarily by decreases at Aviation, Power and Healthcare.

Continuing earnings (loss) per share was $(3.25). Excluding debt extinguishment costs, gains (losses) on equity securities, non-operating benefit costs, earnings from our run-off Insurance business and restructuring and other charges, Adjusted earnings per share* was $1.71. For the year ended December 31, 2021, profit (loss) was $(3.7) billion and profit margins were (5.0)%, down $9.7 billion, primarily due to the nonrecurrence of the prior year gain on the sale of our BioPharma business of $12.4 billion and higher debt extinguishment costs of $6.2 billion, partially offset by a higher net gain on equity securities of $3.8 billion, higher segment profit of $1.9 billion, the nonrecurrence of goodwill impairments of $0.9 billion, a decrease in non-operating benefit costs of $0.6 billion, a decrease in Adjusted corporate operating costs* of $0.4 billion, higher profit on our run-off Insurance business of $0.4 billion, the nonrecurrence of Steam asset impairments in the prior year of $0.4 billion, lower interest and other financial charges of $0.2 billion, and the nonrecurrence of the legal reserves associated with the SEC investigation in the prior year of $0.2 billion. Adjusted organic profit* increased $2.7 billion, driven primarily by increases at Aviation, Power and Healthcare. Additionally, we continue to experience inflation pressure in our supply chain as well as delays in sourcing key materials needed for our products. The most significant impact to date has been at our Healthcare segment, which has delayed our ability to convert remaining performance obligation (RPO) to revenue. While we are taking actions to limit this pressure, we may experience a greater impact on our longer cycle businesses in future periods.

Cash flows from operating activities were $0.9 billion and $1.0 billion for the years ended December 31, 2021 and 2020, respectively. CFOA decreased primarily due to an increase in cash collateral paid net of settlements on derivative contracts and an increase in cash used for working capital, partially offset by lower GE Pension Plan contributions (which are excluded from free cash flows (FCF)*) and an increase in net income (after adjusting for the gain on the sale of BioPharma, non-cash gains/losses related to our interest in Baker Hughes, non-operating benefit costs and non-operating debt extinguishment costs). FCF* were $1.9 billion and $0.6 billion for the years ended December 31, 2021 and 2020, respectively. FCF* increased primarily due to an increase in net income (after adjusting for the gain on the sale of BioPharma, non-cash gains/losses related to our interest in Baker Hughes, non-operating benefit costs and non-operating debt extinguishment costs) and an increase in cash from working capital (after adjusting for the impact from discontinued factoring programs and eliminations related to our receivables factoring and supply chain finance programs), partially offset by an increase in cash collateral paid net of settlements on derivative contracts. We discontinued the majority of our factoring programs in 2021. In the second, third and fourth quarters of 2021, the adverse impact to CFOA was $5.1 billion, which primarily represents the cash that our industrial businesses would have otherwise collected in the period had customer receivables not been previously sold and is excluded from FCF*. See the Capital Resources and Liquidity - Statement of Cash Flows section for further information.

RPO is unfilled customer orders for products and product services (expected life of contract sales for product services) excluding any purchase order that provides the customer with the ability to cancel or terminate without incurring a substantive penalty. In the second quarter of 2021, we voluntarily replaced our quarterly disclosures of backlog with RPO as a key metric, one commonly used across our industries, in order to simplify our reporting and align with our peers. See Note 23 for further information.

RPO	2021	2020	2019
Equipment	$ 45,065	$ 45,991	$ 48,487
Services	194,755	184,608	196,947
Total RPO(a)	$ 239,820	$ 230,600	$ 245,434

(a) RPO as of December 31, 2021 and December 31, 2020 excludes the BioPharma business due to its disposition in the first quarter of 2020. RPO as of December 31, 2019 included $1,227 million related to BioPharma.

As of December 31, 2021, RPO increased $9.2 billion (4%) from December 31, 2020, primarily at Aviation, from engines contracted under long-term service agreements that have now been put into service; at Healthcare, from new contracts and renewals with large customers as well as supply chain challenges in converting RPO to revenue; and at Renewable Energy, primarily at Offshore Wind; partially offset by a decrease at Power from sales outpacing new orders in Gas Power and the continued wind down of the Steam Power new build coal business.

As of December 31, 2020, RPO decreased $14.8 billion (6%) from December 31, 2019 primarily driven by Aviation due to a reduction in Commercial Services. The reduction in Commercial Services reflects lower anticipated engine utilization, the cancellation of equipment unit orders, customer fleet restructuring and contract modifications. Power decreased due to sales outpacing new orders; Healthcare decreased with the disposition of the BioPharma business of $1.2 billion; and Renewable Energy increased due to new orders outpacing sales.

REVENUES	2021	2020	2019
Equipment revenues	$ 34,200	$ 37,584	$ 42,811
Services revenues	36,890	35,385	44,608
Insurance revenues	3,106	2,865	2,802
Total revenues	$ 74,196	$ 75,833	$ 90,221

*Non-GAAP Financial Measure

For the year ended December 31, 2021, total revenues decreased $1.6 billion (2%). Equipment revenues decreased primarily at Power, due to decreased Gas Power equipment revenues on lower turnkey sales and Steam Power equipment on the exit of new build coal; at Aviation, due to fewer commercial install and spare engine unit shipments; and at Healthcare, due to the disposition of the BioPharma business; partially offset by an increase at Renewable Energy driven by higher revenue at Offshore Wind. Services revenues increased primarily at Power, due to an increase in Gas Power and Steam Power services revenues; at Healthcare, due to increased volume in Imaging and Ultrasound and a return to pre-pandemic volume in Pharmaceutical Diagnostics; and at Aviation, primarily due to increased shop visit volume; partially offset by a decrease at Renewable Energy, primarily due to lower repower unit deliveries at Onshore Wind. Insurance revenues increased $0.2 billion (8)%. The decrease in revenues included the net effects of acquisitions of $0.1 billion, the net effects of dispositions of $1.5 billion and the effects of a stronger U.S. dollar of $1.0 billion. Excluding Insurance revenues and the effects of acquisitions, dispositions and foreign currency, organic revenues* decreased $1.5 billion (2%), with equipment revenues down $3.0 billion (8%) and services revenues up $1.5 billion (4%). Organic revenues* decreased at Aviation, Power and Renewable Energy, partially offset by an increase at Healthcare.

For the year ended December 31, 2020, total revenues decreased $14.4 billion (16%). The decrease in services revenues was primarily at Aviation, driven by lower commercial spare part shipments, decreased shop visits and the cumulative impact of changes in billing and cost assumptions in our long-term service agreements; and at Power, due to declines in transactional part sales and upgrades at Gas Power. The decrease in equipment revenues was primarily at Aviation, due to fewer commercial install and spare engine unit shipments; and at Healthcare, due to the disposition of the BioPharma business; partially offset by increases at Renewable Energy, primarily from Onshore Wind with more wind turbine shipments than in the prior year, and Offshore Wind; and at Gas Power, due to an increase in Heavy-Duty gas turbine unit shipments. Insurance revenues increased $0.1 billion (2%). The decrease in revenues included the net effects of acquisitions of $0.1 billion, the net effects of dispositions of $3.6 billion and the effects of a weaker U.S. dollar of $0.3 billion. Excluding Insurance revenues and the effects of acquisitions, dispositions and foreign currency, organic revenues* decreased $10.7 billion (13%), with a decrease in services revenues of $8.8 billion (20%) and a decrease in equipment revenues of $1.9 billion (5%). Organic revenues* decreased at Aviation and Power, partially offset by increases at Healthcare and Renewable Energy.

EARNINGS (LOSS) AND EARNINGS (LOSS) PER SHARE

(Per-share in dollars and diluted)	2021	2020	2019
Continuing earnings (loss) attributable to GE common shareholders	$ (3,562)	$ 6,141	$ (1,073)
Continuing earnings (loss) per share	$ (3.25)	$ 5.46	$ (0.98)

For the year ended December 31, 2021, continuing earnings decreased $9.7 billion primarily due to the nonrecurrence of the prior year gain on the sale of our BioPharma business of $12.4 billion and higher debt extinguishment costs of $6.2 billion, partially offset by a higher net gain on equity securities of $3.8 billion, higher segment profit of $1.9 billion, the nonrecurrence of goodwill impairments of $0.9 billion, a decrease in non-operating benefit costs of $0.6 billion, a decrease in Adjusted corporate operating costs* of $0.4 billion, higher profit at our run-off Insurance business of $0.4 billion, the nonrecurrence of Steam asset impairments in the prior year of $0.4 billion, lower interest and other financial charges of $0.2 billion and the nonrecurrence of the legal reserves associated with the SEC investigation in the prior year of $0.2 billion. Adjusted earnings* was $1.9 billion, an increase of $2.0 billion. Profit margin was (5.0)%, a decrease from 7.9%, primarily due to the same net decreases as described above. Adjusted profit* was $4.6 billion, an increase of $2.7 billion organically*, due to increases at Aviation, Power and Healthcare. Adjusted profit margin* was 6.5%, an increase of 400 basis points organically*.

For the year ended December 31, 2020, continuing earnings increased $7.2 billion, driven primarily by the gain on the sale of our BioPharma business of $12.4 billion, the nonrecurrence of a $1.0 billion pre-tax charge identified through the completion of our 2019 annual insurance premium deficiency review, lower provision for income taxes of $1.1 billion, lower interest and other financial charges of $0.8 billion, decreased goodwill impairments of $0.6 billion and decreased non-operating benefit costs of $0.4 billion; partially offset by decreased segment profit of $6.2 billion, an increase of $2.8 billion in losses on our investment in Baker Hughes and the legal reserves associated with the SEC investigation of $0.2 billion. Adjusted earnings* was $(0.1) billion, a decrease of $4.3 billion. Profit margin was 7.9%, an increase of 800 basis points, primarily due to the same net increases as described above. Adjusted profit* was $2.2 billion, a decrease of $5.1 billion organically*, primarily due to a decrease at Aviation, partially offset by an increase at Healthcare. Adjusted profit margin* was 3.1%, a decrease of 570 basis points organically*.

SEGMENT OPERATIONS. Segment revenues include sales of equipment and services by our segments. Segment profit is determined based on performance measures used by our Chief Operating Decision Maker (CODM), who is our Chief Executive Officer (CEO), to assess the performance of each business in a given period. In connection with that assessment, the CEO may exclude matters, such as charges for impairments, significant, higher-cost restructuring programs, manufacturing footprint rationalization and other similar expenses, acquisition costs and other related charges, certain gains and losses from acquisitions or dispositions, and certain litigation settlements. See the Corporate section for further information about costs excluded from segment profit.

Segment profit excludes results reported as discontinued operations and the portion of earnings or loss attributable to noncontrolling interests of consolidated subsidiaries, and as such only includes the portion of earnings or loss attributable to our share of the consolidated earnings or loss of consolidated subsidiaries.

*Non-GAAP Financial Measure

Interest and other financial charges, income taxes and non-operating benefit costs are excluded in determining segment profit. Other income is included in segment profit. Interest and other financial charges and income taxes for EFS are included within Corporate costs.

Certain corporate costs, including those related to shared services, employee benefits, and information technology, are allocated to our segments based on usage or their relative net cost of operations.

SUMMARY OF REPORTABLE SEGMENTS	2021	2020	2019
Aviation	$ 21,310	$ 22,042	$ 32,875
Healthcare	17,725	18,009	19,942
Renewable Energy	15,697	15,666	15,337
Power	16,903	17,589	18,625
Total segment revenues	71,635	73,306	86,778
Corporate	2,561	2,528	3,442
Total revenues	$ 74,196	$ 75,833	$ 90,221
Aviation	$ 2,882	$ 1,229	$ 6,812
Healthcare	2,966	3,060	3,737
Renewable Energy	(795)	(715)	(791)
Power	726	274	291
Total segment profit (loss)	5,778	3,848	10,049
Corporate(a)	892	8,061	(2,537)
Goodwill impairments	—	(877)	(1,486)
Interest and other financial charges	(1,813)	(2,018)	(2,826)
Debt extinguishment costs	(6,524)	(301)	(256)
Non-operating benefit costs	(1,782)	(2,430)	(2,839)
Benefit (provision) for income taxes	124	333	(718)
Preferred stock dividends	(237)	(474)	(460)
Earnings (loss) from continuing operations attributable to GE common shareholders	(3,562)	6,141	(1,073)
Earnings (loss) from discontinued operations attributable to GE common shareholders	(3,195)	(911)	(4,366)
Net earnings (loss) attributable to GE common shareholders	$ (6,757)	$ 5,230	$ (5,439)

(a) Includes interest and other financial charges of $63 million, $50 million and $101 million and benefit for income taxes of $162 million, $154 million and $166 million related to EFS within Corporate for the years ended December 31, 2021, 2020, and 2019, respectively.

Refer to our Annual Report on Form 10-K for the year ended December 31, 2020 for discussions of segment results for the years ended December 31, 2020 versus 2019.

AVIATION. Aviation designs and produces commercial and military aircraft engines, integrated engine components, electric power and mechanical aircraft systems. We also provide aftermarket services to support our products.

Commercial Engines and Services – manufactures jet engines for commercial airframes. Our commercial engines power aircraft in all categories: regional, narrowbody and widebody. This includes engines and components for business aviation and aeroderivative applications as well. We also produce and market engines and aftermarket services through joint ventures with Safran Group of France (Safran) and Raytheon Technologies Corporation via their Pratt & Whitney segment. Commercial provides maintenance, component repair and overhaul services (MRO), including sales of replacement parts.

Military – manufactures jet engines for military airframes. Our military engines power a wide variety of military aircraft including fighters, bombers, tankers, helicopters and surveillance aircraft, as well as marine applications. We provide maintenance, component repair and overhaul services, including sales of replacement parts.

Systems & Other – provides avionics systems, aviation electric power systems, turboprop engines, engine gear and transmission components and services for commercial and military segments. Additionally, we provide a wide variety of products and services including additive machines, additive materials (including metal powders), and additive engineering services.

Competition & Regulation. The global businesses for aircraft jet engines, maintenance, component repair and overhaul services (including parts sales) are highly competitive. Both domestic and international markets are important to the growth and success of the business. Product development cycles are long and product quality and efficiency are critical to success. Research and development expenditures are important in this business, as are focused intellectual property strategies and protection of key aircraft engine design, manufacture, repair and product upgrade technologies. In addition, we are subject to market and regulatory dynamics related to decarbonization which will require a combination of technological innovation in the fuel efficiency of engines, expanding the use of sustainable aviation fuels and the development of electric flight and hydrogen-based aviation technologies. Aircraft engine and systems orders tend to follow civil air travel demand and military procurement cycles.

Our products, services and activities are subject to a number of global regulators such as the U.S. Federal Aviation Administration (FAA), European Union Aviation Safety Agency (EASA), Civil Aviation Administration of China (CAAC) and other regulatory bodies.

Significant Trends & Developments. The global COVID-19 pandemic continues to have a material adverse effect on the global airline industry, although Aviation's results in 2021 reflect improvement in market fundamentals. A key underlying driver of Aviation's commercial engine and services business is global commercial air traffic, which in turn is driven by economic activity and consumer and business propensity to travel. Since the beginning of the pandemic in the first quarter of 2020, we have seen varied levels of recovery in global markets. Government travel restrictions, public health advisories, individuals' propensity to travel and continued cases of the virus have all impacted the level of air travel. Aviation regularly tracks global departures, which for 2021, were approximately 30% below 2019. Global departures improved during 2021, up approximately 20% compared to 2020, but levels of recovery varied across regions due in large part to the emergence of COVID-19 virus variants. Aviation remains confident in the recovery, while actively monitoring the impact of travel restrictions, quarantine requirements, and economic and industry forecasts. We are in frequent dialogue with our airline and airframe customers about the outlook for commercial air travel, new aircraft production, fleet retirements, and after-market services, including shop visit and spare parts demand. Given current trends, we expect domestic travel routes primarily served by narrowbody aircraft to recover before long-haul, international travel routes, which are primarily served by widebody aircraft. Consistent with industry projections, Aviation continues to estimate the duration of the market recovery to be prolonged over the next couple of years, dependent on containing the spread of the virus, effective inoculation programs and government collaboration to encourage travel, particularly around reducing quarantine requirements.

Aviation has taken several actions to respond to the current adverse environment and is actively monitoring the pace of demand recovery to ensure the business is appropriately sized for the future. In addition, we continue to partner with our airline and leasing customers and collaborate with our airframe partners on production rates for 2022 and beyond.

As it relates to the military environment, Aviation continues to forecast strong military demand creating future growth opportunities for our Military business unit as the U.S. Department of Defense and foreign governments have continued flight operations, and have allocated budgets to upgrade and modernize their existing fleets. During 2021, Aviation experienced supply chain challenges impacting the delivery of military engines, which the business is actively addressing.

Total engineering, comprising company, customer and partner-funded and nonrecurring engineering costs, decreased compared to prior year in line with the changes in the commercial environment and due to the timing of planned program expenditures. Aviation continues to be committed to investment in developing and maturing technologies that enable a more sustainable future of flight. In June 2021, Aviation and Safran announced Revolutionary Innovation for Sustainable Engines (RISE), a technology development program targeting more than 20% lower fuel consumption and CO2 emissions compared to today's engines. In September 2021, Aviation's Catalyst engine, the first clean-sheet turboprop design entering the business and general aviation market in 50 years, completed its first flight.

Aviation is taking actions to protect its ability to serve its customers now and as the global airline industry recovers. Aviation's deep history of innovation and technology leadership, commercial engine installed base of approximately 39,400 units, with approximately 10,800 units under long-term service agreements, and military engine installed base of approximately 26,200 units represents strong long-term fundamentals. Aviation expects to emerge from the COVID-19 pandemic well-positioned to drive long-term profitable growth and cash generation over time.

Sales in units, except where noted	2021	2020	2019
Commercial Engines(a)	1,487	1,720	3,048
LEAP Engines(b)	845	815	1,736
Military Engines	553	683	717
Spare Parts Rate(c)	$ 17.8	$ 18.0	$ 31.0

(a) Commercial Engines now includes Business Aviation and Aeroderivative units for all periods presented.
(b) LEAP engines are subsets of commercial engines.
(c) Commercial externally shipped spare parts and spare parts used in time and material shop visits in millions of dollars per day.

RPO	December 31, 2021	December 31, 2020	December 31, 2019
Equipment	$ 11,139	$ 10,597	$ 11,234
Services	114,133	103,500	112,466
Total RPO	$ 125,272	$ 114,097	$ 123,700

SEGMENT REVENUES AND PROFIT	2021	2020	2019
Commercial Engines & Services	$ 14,360	$ 14,479	$ 24,769
Military	4,136	4,572	4,389
Systems & Other	2,814	2,991	3,718
Total segment revenues	$ 21,310	$ 22,042	$ 32,875
Equipment	$ 7,531	$ 8,582	$ 12,737
Services	13,780	13,460	20,138
Total segment revenues	$ 21,310	$ 22,042	$ 32,875
Segment profit	$ 2,882	$ 1,229	$ 6,812
Segment profit margin	13.5 %	5.6 %	20.7 %

For the year ended December 31, 2021, segment revenues were down $0.7 billion (3%) and segment profit was up $1.7 billion.

RPO as of December 31, 2021 increased $11.2 billion (10%) from December 31, 2020, due to increases in both equipment and services. Equipment increased primarily due to an increase in Military orders. Services increased primarily as a result of engines contracted under long-term service agreements that have now been put into service.

Revenues decreased $0.7 billion (3%) organically*. Commercial Engines revenues decreased, due to 233 fewer commercial install and spare engine unit shipments, including fewer engine shipments on legacy programs, partially offset by 30 more LEAP units versus the prior year. Commercial Services revenues increased, primarily due to increased shop visit volume, partially offset by lower volume on commercial spare part shipments, as prior year revenues included significant spare part shipments prior to the impact of the COVID-19 pandemic. Commercial Services revenues for the year ended December 31, 2021, included a net unfavorable change in estimated profitability of $0.3 billion for its long-term service agreements compared to a net unfavorable change of $1.1 billion for the prior year. Military revenues decreased due to lower services and 130 fewer engine shipments, partially offset by product mix.

Profit increased $1.6 billion organically*, primarily due to increased shop visit volume and the receipt of a payment from a partner associated with engine program activity. Profit also increased due to lower net unfavorable changes in estimated profitability in long-term service agreements, as the prior year included charges reflecting the cumulative COVID-19 pandemic-related impacts of changes to billing and cost assumptions for certain long-term service agreements; operational cost reduction from the actions taken in 2020 and the first half of 2021; and the nonrecurrence of prior year charges related to lower commercial engine production volumes, customer credit risk and an impairment charge in a joint venture in the Systems business. These increases in profit were partially offset by an accrual for a contract in a loss position in the long-term service agreement portfolio.

HEALTHCARE. Healthcare provides essential healthcare technologies to developed and emerging markets and has expertise in medical imaging, digital solutions, patient monitoring and diagnostics, drug discovery and performance improvement solutions that are the building blocks of precision health. Products and services are sold worldwide primarily to hospitals and medical facilities.

Healthcare Systems (HCS) – develops, manufactures, markets and services a broad suite of products and solutions used in the diagnosis, treatment and monitoring of patients that is encompassed in imaging, ultrasound, life care solutions and enterprise software and solutions. Imaging includes magnetic resonance, computed tomography, molecular imaging, x-ray systems and complementary software and services, for use in general diagnostics, women's health and image-guided therapies. Ultrasound includes high-frequency soundwave systems, and complementary software and services, for use in diagnostics tailored to a wide range of clinical settings. Life Care Solutions (LCS) includes clinical monitoring and acute care systems, and complementary software and services, for use in intensive care, anesthesia delivery, diagnostic cardiology and perinatal care. Enterprise Digital Solutions (EDS) includes enterprise digital, artificial intelligence applications, consulting and Command Center offerings designed to improve efficiency in healthcare delivery and expand global access to advanced health care.

Pharmaceutical Diagnostics (PDx) – researches, manufactures and markets innovative imaging agents used during medical scanning procedures to highlight organs, tissue and functions inside the human body, to aid physicians in the early detection, diagnosis and management of disease through advanced in-vivo diagnostics. These products include both contrast imaging and molecular imaging agents.

BioPharma – This business was sold on March 31, 2020. It delivered products, services and manufacturing solutions for drug discovery, biopharmaceutical production, and cellular and gene therapy technologies.

Competition & Regulation. Healthcare competes with a variety of U.S. and non-U.S. manufacturers and services providers. Customers require products and services that allow them to provide better access to healthcare, improve the affordability of care and improve the quality of patient outcomes. Key factors affecting competition include technological innovations, productivity solutions, competitive pricing and the ability to provide lifecycle services. New technologies and solutions could make our products and services obsolete unless we continue to develop new and improved offerings. Our products are subject to regulation by numerous government agencies, as well as laws and regulations that apply to various reimbursement systems or other government funded healthcare programs.

Significant Trends & Developments. We continue to see an overall recovery in hospital spending; the expectation is that this will continue in line with the worldwide COVID-19 vaccine rollout. Both HCS and PDx demand has recovered to at or above pre-pandemic levels. Similar to many industries, we are experiencing inflation in our supply chain as well as delays in sourcing key materials needed for our products, such as electronics and resins, delaying our ability to convert RPO to revenue. We have proactively managed sourcing and logistics, material and design costs to partially mitigate supply chain impacts. In response to near-term volatility and cost pressures, we have continued to execute on structural cost reductions and cash optimization actions, in order to invest in growth and research and development.

We continue to grow and invest in precision health, with focus on creating new products and digital solutions as well as expanding uses of existing offerings that are tailored to the different needs of our global customers. We introduced the Vscan Air in over 70 countries, a cutting edge wireless pocket-sized ultrasound that is differentiated by its crystal clear image quality, whole-body scanning capabilities, and intuitive software. We continue to see the broader application of our AIR Recon DL technology, which provides best in class image quality as well as substantially reduced scan time. An example of a new product that includes AIR Recon DL is the SIGNA Hero magnetic resonance imaging system that helps accommodate more patients of all shapes and sizes, offering a 70 cm bore and detachable table for enhanced patient comfort. We introduced the Revolution APEX CT, which has a modular and scalable design to do in-room upgrades on the detector without swapping the gantry, giving customers the flexibility to right size their purchase today and be ready for the future. We remain committed to innovate and invest to create more integrated, efficient, and personalized precision healthcare.

*Non-GAAP Financial Measure

In the fourth quarter of 2021, we acquired BK Medical, a leader in surgical ultrasound imaging and guidance, from Altaris Capital Partners for a cash purchase price of $1.5 billion.

RPO	December 31, 2021	December 31, 2020	December 31, 2019
Equipment	$ 4,232	$ 3,465	$ 4,825
Services	10,375	9,458	9,249
Total RPO(a)	$ 14,606	$ 12,923	$ 14,073

(a) RPO as of December 31, 2021 and December 31, 2020 excludes the BioPharma business due to its disposition in the first quarter of 2020. RPO as of December 31, 2019 included $1,227 million related to BioPharma.

SEGMENT REVENUES AND PROFIT	2021	2020	2019
Healthcare Systems	$ 15,694	$ 15,387	$ 14,648
Pharmaceutical Diagnostics	2,031	1,792	2,005
BioPharma	—	830	3,289
Total segment revenues	$ 17,725	$ 18,009	$ 19,942
Equipment	$ 9,104	$ 9,992	$ 11,585
Services	8,620	8,017	8,357
Total segment revenues	$ 17,725	$ 18,009	$ 19,942
Segment profit	$ 2,966	$ 3,060	$ 3,737
Segment profit margin	16.7 %	17.0 %	18.7 %

For the year ended December 31, 2021, segment revenues were down $0.3 billion (2%) and segment profit was down $0.1 billion (3%).

RPO as of December 31, 2021 increased $1.7 billion (13%) from December 31, 2020 primarily due to new service contracts and renewals with large customers and from equipment on strong orders across all regions, notably in China and the U.S., as well as supply chain challenges in converting RPO to revenues.

Revenues increased $0.2 billion (1%) organically*. Services revenues increased, driven by a return to pre-pandemic volume in PDx and the continued growth of HCS Service. Equipment revenues decreased driven by reductions in LCS for HCS products where there were more COVID-19 related product sales in 2020 as well as supply chain challenges, partially offset by increased volume in Imaging and Ultrasound.

Profit increased $0.2 billion (6%) organically*, driven by increased volume for Imaging and Ultrasound products, increases in PDx volume as well as continued cost reduction actions, partially offset by continued investment in research and development.

RENEWABLE ENERGY. We benefit from one of the broadest portfolios in the industry that uniquely positions us to lead the energy transition with products, services and integrated solutions to grow renewable energy generation, lower the cost of electricity and modernize the grid. Our portfolio of business units includes onshore and offshore wind, blade manufacturing, grid solutions, hydro, storage, hybrid renewables and digital services offerings. We have installed more than 400 gigawatts of clean renewable energy equipment and equipped more than 90 percent of transmission utilities with our grid solutions in developed and emerging markets.

Onshore Wind – delivers technology and services for the onshore wind power industry by providing a large range of turbines with smart controls that are uniquely tailored for a variety of wind environments. Wind Services assist customers in improving cost, capacity and performance of their assets over the lifetime of their fleet, utilizing digital infrastructure to monitor, predict and optimize wind farm energy performance. Our Onshore Wind business supports a turbine installed base of approximately 52,000 units, of which, approximately half are under service agreements. For reporting purposes, Onshore Wind includes the operations of our blade manufacturer, LM Wind.

Grid Solutions Equipment and Services (Grid) – enables power utilities and industries worldwide to effectively manage electricity from the point of generation to the point of consumption, helping to maximize the reliability, efficiency and resiliency of the grid. Service offerings include a comprehensive portfolio of equipment, hardware, protection and control, automation and digital services. Grid is also addressing the challenges of the energy transition by safely and reliably connecting intermittent renewable energy generation to transmission networks.

Hydro Solutions – has equipped more than 25 percent of the global hydro installed base and provides a portfolio of solutions and services for hydropower generation, including the design, management, construction, installation, maintenance and operation of both large hydropower plants and small hydropower solutions, as well as offering a comprehensive asset management program to hydropower plant operators.

Offshore Wind – leads the industry in offshore wind power technologies and offshore wind farm development with the Haliade-X, the industry's first 14MW offshore wind turbine.

Hybrid Solutions – provides reliable, affordable and dispatchable integration of renewable energies that drive vital stability to the grid and includes unique applications to integrate storage and renewable energy generation sources, such as wind, hydropower and solar.

*Non-GAAP Financial Measure

Competition & Regulation. While many factors, including government incentives and specific market rules, affect how renewable energy can deliver outcomes for customers in a given region, renewable energy has become competitive with fossil fuels in terms of levelized cost of electricity. We continue to invest in generating wind turbine product improvements, including larger rotors, taller towers and higher nameplate ratings that continue to drive down the cost of onshore and offshore wind energy, to develop more efficient production processes for key components and to explore ways to further improve the efficiency and flexibility of our hydropower technology with new innovative turbine designs and digital solutions. As industry models continue to evolve, our digital strategy and investments in technical innovation will position us to add value for customers looking for clean, renewable energy.

Significant Trends & Developments. While we continue to expect long term growth in U.S onshore wind, the expiry of U.S. Production Tax Credits (PTC) in 2021 has created uncertainty resulting in project delays and deferral of customer investments. We are monitoring policy proposals where a strong and diverse interest in tax credits promoting new wind generation continues to exist. The latest Wood Mackenzie equipment and repower forecast expects U.S onshore wind to decline from 15 gigawatts of new installations in 2021 to approximately 10 gigawatts in 2022. Despite the market uncertainty, we have maintained our leading position in the U.S. The offshore wind industry continues to experience strong global market momentum and we have received customer commitments for the Haliade-X spanning across Europe, North America and Asia. Customer preference continues to shift to larger, more efficient units to drive down costs and compete with other power generation options. The Grid and Hydro business units are executing their turnaround plans that include increased project selectivity discipline, cost reduction and investment in more profitable segments. We are monitoring the impact across our industries from rising inflationary costs of transportation and commodities, broader supply chain and permitting process challenges across the onshore and offshore wind industry.

New product introductions remain important to our onshore and offshore customers who are demonstrating the willingness to adopt the new technology of larger turbines that decrease the levelized cost of energy. We have observed significant market demand for our 5-6 MW Cypress and 3-4 MW Sierra Onshore units and our 12-14 MW Haliade-X Offshore units. Our Haliade-X prototype unit is currently operating at 14MW. Preparing for large scale production, while reducing the cost of these new product platforms and blade technologies remains a key priority. At Grid Solutions, new technology such as flexible transformers and g³ switchgears are solving for a more resilient and efficient electric grid and lower greenhouse gas emissions, respectively.

Onshore and Offshore sales in units	2021	2020	2019
Wind Turbines	3,590	3,744	3,424
Wind Turbine Gigawatts	11.7	10.8	9.5
Repower units	561	1,022	1,057

RPO	December 31, 2021	December 31, 2020	December 31, 2019
Equipment	$ 18,639	$ 18,273	$ 17,203
Services	12,872	12,531	11,233
Total RPO	$ 31,511	$ 30,804	$ 28,436

SEGMENT REVENUES AND PROFIT	2021	2020	2019
Onshore Wind	$ 11,026	$ 10,881	$ 10,421
Grid Solutions equipment and services	3,207	3,585	4,016
Hydro, Offshore Wind and Hybrid Solutions	1,464	1,200	900
Total segment revenues	$ 15,697	$ 15,666	$ 15,337
Equipment	$ 13,224	$ 12,859	$ 12,267
Services	2,473	2,807	3,069
Total segment revenues	$ 15,697	$ 15,666	$ 15,337
Segment profit (loss)	$ (795)	$ (715)	$ (791)
Segment profit margin	(5.1) %	(4.6) %	(5.2) %

For the year ended December 31, 2021, segment revenues were flat and segment losses were up $0.1 billion (11%).

RPO as of December 31, 2021 increased $0.7 billion (2%) from December 31, 2020 primarily driven by the Offshore Vineyard Wind (U.S) and Dogger Bank (U.K.) wind farms and from higher Onshore Wind services, partially offset by equipment sales exceeding new orders at Onshore and Grid and the impact from a stronger U.S. dollar. The decrease at Onshore Wind is largely driven by PTC uncertainty delaying investment in North America, while at Grid is primarily due to increased commercial selectivity in certain product lines.

Revenues decreased $0.4 billion (2%) organically*, primarily from lower revenue at Grid due to increased commercial selectivity and fewer wind turbine and repower deliveries at Onshore Wind, partially offset by higher revenue at Offshore Wind's legacy EDF project.

Segment losses increased 6% organically*, primarily from lower repower volume at Onshore Wind, lower volume at Grid and lower margins on new product introductions at Onshore Wind, partially offset by the favorable impact of cost reduction actions and lower project related charges.

*Non-GAAP Financial Measure

POWER. Power serves power generation, industrial, government and other customers worldwide with products and services related to energy production. Our products and technologies harness resources such as oil, gas, fossil, diesel and nuclear to produce electric power and include gas and steam turbines, full balance of plant, upgrade and service solutions, as well as data-leveraging software. We have organized the businesses within our Power segment into Gas Power, Steam, Power Conversion and Nuclear and other.

Gas Power – offers a wide spectrum of heavy-duty and aeroderivative gas turbines for utilities, independent power producers and numerous industrial applications, ranging from small, mobile power to utility scale power plants. Gas Power also delivers maintenance and service solutions across total plant assets and over their operational lifecycle.

Steam Power – offers a broad portfolio of technologies and services predominately for nuclear and fossil power plants to help customers deliver reliable power as they transition to a lower carbon future.

Power Conversion, Nuclear and other - applies the science and systems of power conversion to provide motors, generators, automation and control equipment and drives for energy intensive industries such as marine, oil and gas, mining, rail, metals and test systems. Through joint ventures with Hitachi, it also provides nuclear technology solutions for boiling water reactors including reactor design, reactor fuel and support services.

Competition & Regulation. Worldwide competition for power generation products and services is intense. Demand for power generation is global, and as a result, is sensitive to the economic and political environments of each country in which we do business. Our products and services sold to end customers are often subject to many regulatory requirements and performance standards under different federal, state, foreign and energy industry standards. In addition, we are subject to market and other dynamics related to decarbonization, where it will remain important to lower greenhouse gas emissions for decades to come, which will likely depend in part on technologies that are not yet deployed or widely adopted today, but may become more important over time (such as hydrogen-based power generation, carbon capture and sequestration technologies or small modular or other advanced nuclear power).

Significant Trends & Developments. Power continues to streamline its business to better align with market demand and drive its business units with an operational rigor and discipline that is focused on its customers' lifecycle experience. We remain focused on our underwriting discipline, commercial selectivity and risk management to ensure we are securing deals that meet our financial hurdles and we have a high confidence to deliver for our customers.

During the current period, global gas generation was down low-single-digits due to higher gas prices. However, GE gas turbine utilization continues to be resilient as megawatt hours grew high-single-digits from incremental HA gas turbine units coming online running baseload power. Looking ahead, we anticipate the power market to continue to be impacted by overcapacity in the industry, continued price pressure from competition on servicing the installed base, and the uncertain timing of deal closures due to financing and the complexities of working in emerging markets, as well as the ongoing impacts of COVID-19. Although market factors related to the energy transition such as greater renewable energy penetration and the adoption of climate change-related policies continue to impact long-term demand (and related financing), to differing degrees across markets globally, we expect the gas market to remain stable through the next decade with gas generation continuing to grow low-single-digits. We believe gas will play a critical role in the energy transition and are encouraged by the growth in Gas Power Services.

As separately announced on February 10, 2022, we signed a non-binding memorandum of understanding for GE Steam Power to sell a portion of its business to Électricité de France S.A. (EDF), which will result in a reclassification of that business to held for sale in the first quarter of 2022. A non-cash, pre-tax impairment charge will be taken related to the remaining business intangible and fixed assets of approximately $0.7 to $0.8 billion. The sale transaction is expected to be finalized in the first half of 2023, subject to completion of the parties' respective information and consultation processes and satisfaction of certain conditions, and closing the transaction is expected to result in a significant gain.

We continue to invest in new product development, such as our HA-Turbines and Nuclear small modular reactors. Our fundamentals remain strong with approximately $68.7 billion in RPO and a gas turbine installed base greater than 7,000 units, including approximately 1,800 units under long-term service agreements.

Sales in units	2021	2020	2019
GE Gas Turbines	62	71	53
Heavy-Duty Gas Turbines(a)	43	51	38
HA-Turbines(b)	13	21	11
Aeroderivatives(a)	19	20	15

(a) Heavy-Duty Gas Turbines and Aeroderivatives are subsets of GE Gas Turbines.
(b) HA-Turbines are a subset of Heavy-Duty Gas Turbines.

RPO	December 31, 2021	December 31, 2020	December 31, 2019
Equipment	$ 12,169	$ 14,991	$ 15,225
Services	56,569	58,318	62,815
Total RPO	$ 68,738	$ 73,308	$ 78,040

SEGMENT REVENUES AND PROFIT		2021		2020		2019
Gas Power	$	12,080	$	12,655	$	13,122
Steam Power		3,241		3,557		4,021
Power Conversion, Nuclear and other		1,582		1,378		1,482
Total segment revenues	$	16,903	$	17,589	$	18,625
Equipment	$	5,035	$	6,707	$	6,247
Services		11,868		10,883		12,378
Total segment revenues	$	16,903	$	17,589	$	18,625
Segment profit (loss)	$	726	$	274	$	291
Segment profit margin		4.3 %		1.6 %		1.6 %

For the year ended December 31, 2021, segment revenues were down $0.7 billion (4%) and segment profit was up $0.5 billion. RPO as of December 31, 2021 decreased $4.6 billion (6%) from December 31, 2020, primarily driven by the continued wind down of the Steam Power new build coal business, sales outpacing new orders in Gas Power contractual services, and a significant Gas Power equipment order from the prior year that did not repeat.

Revenues decreased $0.7 billion (4%) organically*, primarily due to decreased Gas Power equipment revenues on lower turnkey sales and Steam Power equipment on the exit of new build coal, partially offset by an increase in Gas Power and Steam Power services revenues.

Profit increased $0.5 billion organically* due to increases in Gas Power services revenues and margins, predominately in the long-term services portfolio, and aeroderivative sales and continued efforts to streamline the businesses, partially offset by decreases due to Gas Power and Steam Power equipment revenues and contract and legal charges.

CORPORATE. The Corporate amounts related to revenues and earnings include the results of disposed businesses, certain amounts not included in operating segment results because they are excluded from measurement of their operating performance for internal and external purposes and the elimination of intersegment activities. In addition, the Corporate amounts related to earnings include certain costs of our principal retirement plans, significant, higher-cost restructuring programs and other costs reported in Corporate.

Corporate includes the results of the GE Digital business, our remaining GE Capital businesses including our run-off Insurance business (see Other Items - Insurance for further information), and the Lighting segment through its disposition in the second quarter of 2020.

REVENUES AND OPERATING PROFIT (COST)		2021		2020		2019
Corporate revenues	$	945	$	1,313	$	1,791
Insurance revenues		3,106		2,865		2,802
Eliminations and other		(1,490)		(1,650)		(1,151)
Total Corporate revenues	$	2,561	$	2,528	$	3,442
Gains (losses) on purchases and sales of business interests	$	(44)	$	12,452	$	(135)
Gains (losses) on equity securities		1,921		(1,891)		933
Restructuring and other charges		(380)		(680)		(886)
Steam asset impairments, net of noncontrolling interests of $65 million (Notes 6 & 7)		—		(363)		—
SEC settlement charge		—		(200)		—
Goodwill impairments, net of noncontrolling interests of $149 million in 2020 (Note 7)		—		(728)		(1,486)
Insurance profit (loss) (Note 11)		566		197		(821)
Adjusted total corporate operating costs (Non-GAAP)		(1,170)		(1,602)		(1,628)
Total Corporate operating profit (cost) (GAAP)	$	892	$	7,184	$	(4,023)
Less: gains (losses), impairments, Insurance, and restructuring & other		2,062		8,786		(2,395)
Adjusted total corporate operating costs (Non-GAAP)	$	(1,170)	$	(1,602)	$	(1,628)
Functions & operations	$	(848)	$	(1,303)	$	(1,186)
Environmental, health and safety (EHS) and other items		(302)		(104)		(258)
Eliminations		(20)		(195)		(184)
Adjusted total corporate operating costs (Non-GAAP)	$	(1,170)	$	(1,602)	$	(1,628)

Adjusted total corporate operating costs* excludes gains (losses) on purchases and sales of business interests, significant, higher-cost restructuring programs, gains (losses) on equity securities, goodwill impairments and our run-off Insurance business profit. We believe that adjusting corporate costs to exclude the effects of items that are not closely associated with ongoing corporate operations provides management and investors with a meaningful measure that increases the period-to-period comparability of our ongoing corporate costs.

*Non-GAAP Financial Measure

For the year ended December 31, 2021, revenues remained relatively flat primarily as the result of $0.3 billion lower revenue due to the sale of our Lighting business in June 2020 offset by $0.2 billion of higher revenue primarily as the result of strong investment results in our run-off Insurance business and $0.2 billion of lower intersegment eliminations. Corporate operating profit decreased by $6.3 billion due to $12.5 billion of lower gains on purchases and sales of business interests primarily due to a $12.4 billion gain from the sale of our BioPharma business in 2020. This decrease was partially offset by a $3.8 billion change in gains (losses) on equity securities primarily related to $2.9 billion and $0.7 billion of mark-to-market activity on our Baker Hughes and AerCap shares respectively. In addition, Corporate operating profit increased due to lower restructuring and other charges primarily at Aviation and Corporate, partially offset by Power, and nonrecurrence of non-cash impairment charges and settlement of the SEC investigation in 2020, and higher income in our run-off Insurance business primarily driven by strong investment results and lower claims.

Adjusted total corporate operating costs* decreased by $0.4 billion primarily as the result of $0.5 billion of cost reductions in our Corporate functions. In addition, corporate cost decreased by $0.2 billion as the result of lower intercompany elimination activity from project financing investments associated with wind energy projects in our Renewable Energy segment, lower intersegment eliminations, partially offset by higher spare engine sales from our Aviation segment to our GECAS business before its combination with AerCap in November 2021. These decreases were partially offset by $0.2 billion of higher costs associated with EHS and other items.

For the year ended December 31, 2020, revenues decreased by $0.9 billion, primarily as a result of a $0.5 billion decrease in revenues due to the sale of our Current and Lighting businesses in April 2019 and June 2020, respectively, $0.5 billion of higher intersegment eliminations, partially offset by $0.1 billion of higher revenue in our run-off Insurance business. Corporate operating profit increased by $11.2 billion due to $12.6 billion of higher gains on purchases and sales of business interests primarily due to a $12.4 billion gain from the sale of our BioPharma business in 2020, partially offset by a $2.8 billion change in gains (losses) on equity securities primarily related to mark-to-market activity on our Baker Hughes shares. Corporate operating profit also increased due to lower restructuring and other charges, primarily at Corporate and Power, partially offset by higher charges at Aviation, lower non-cash impairment charges, partially offset by $0.2 billion for the settlement of the SEC investigation in 2020. In addition, Corporate profit increased by $1.0 billion due to the nonrecurrence of $1.0 billion pre-tax charge identified through our annual insurance premium deficiency review in our run-off Insurance business in 2019.

Adjusted total corporate operating costs* remained relatively flat in 2020 due to $0.2 billion of lower EHS and other items, $0.3 billion of cost reductions in our Digital business and Corporate functions, offset by $0.4 billion of higher costs in our GE Capital businesses primarily due to lower gains from the sale of equity method investments at EFS, higher marks and volume decline. Overall, eliminations were relatively flat due to higher intercompany elimination activity from project financing investments associated with wind energy projects in our Renewable Energy segment, higher intersegment eliminations, offset by lower spare engine sales from our Aviation segment to our previously owned GECAS business.

OTHER CONSOLIDATED INFORMATION

RESTRUCTURING. This table is inclusive of all restructuring charges in our segments and at Corporate, and the charges are shown below for the business where they originated. Separately, in our reported segment results, significant, higher-cost restructuring programs are excluded from measurement of segment operating performance for internal and external purposes; those excluded amounts are reported in Restructuring and other charges for Corporate (see the Corporate section).

RESTRUCTURING AND OTHER CHARGES	**2021**	**2020**	**2019**
Workforce reductions	$ 695	$ 856	$ 823
Plant closures & associated costs and other asset write-downs	145	332	349
Acquisition/disposition net charges and other	(21)	66	171
Total restructuring and other charges	$ 819	$ 1,254	$ 1,343
Cost of equipment/services	$ 394	$ 570	$ 386
Selling, general and administrative expenses	499	697	993
Other income	(75)	(13)	(36)
Total restructuring and other charges	$ 819	$ 1,254	$ 1,343
Aviation	$ 70	$ 397	$ 8
Healthcare	155	137	201
Renewable Energy	204	213	176
Power	369	236	402
Corporate	20	270	557
Total restructuring and other charges	$ 819	$ 1,254	$ 1,343
Restructuring and other charges cash expenditures	$ 781	$ 1,175	$ 1,209

Liabilities associated with restructuring activities were approximately $1.0 billion, $1.3 billion, and $1.7 billion including actuarial determined post-employment severance benefits of $0.5 billion, $0.7 billion, and $1.0 billion as of December 31, 2021, 2020, and 2019, respectively.

*Non-GAAP Financial Measure

INTEREST AND OTHER FINANCIAL CHARGES were $1.9 billion, $2.1 billion and $2.9 billion for the years ended December 31, 2021, 2020 and 2019, respectively. The decreases for the years ended December 31, 2021 and 2020 were primarily due to lower average borrowings balances, partially offset by a lower allocation of interest expense to discontinued operations. Inclusive of interest expense in discontinued operations, total interest and other financial charges were $2.5 billion, $3.0 billion and $4.2 billion for the years ended December 31, 2021, 2020 and 2019, respectively. The decreases for the years ended December 31, 2021 and 2020 were driven primarily by lower average borrowings balances. The primary components of interest and other financial charges are interest on short- and long-term borrowings. See Note 10 for further information about average interest rates on borrowings.

DEBT EXTINGUISHMENT COSTS were $6.5 billion, $0.3 billion and $0.3 billion for the years ended December 31, 2021, 2020 and 2019, respectively. During 2021, we executed debt tenders in the second and fourth quarters and incurred debt extinguishment costs of $1.4 billion in the second quarter and $5.1 billion in the fourth quarter. The majority of these costs relate to the present value of accelerating future interest payments associated with the debt. As a result of these actions, we expect lower interest expense going forward.

POSTRETIREMENT BENEFIT PLANS. Refer to Note 12 for information about our pension and retiree benefit plans.

INCOME TAXES	2021	2020	2019
Effective tax rate (ETR)	7.8 %	(8.2)%	(1,022.2)%
Provision (benefit) for income taxes	$ (286)	$ (487)	$ 552
Cash income taxes paid(a)	1,330	1,291	2,228

(a) Included taxes paid related to discontinued operations.

For the year ended December 31, 2021, the consolidated income tax rate was 7.8% compared to (8.2)% for the year ended December 31, 2020. The tax rate for 2021 reflects a tax benefit on a pre-tax loss. The negative tax rate for 2020 reflects a tax benefit on pre-tax income.

The consolidated benefit for income taxes was $(0.3) billion and $(0.5) billion for the years ended December 31, 2021 and 2020, respectively. The benefit decreased due to tax associated with the increase in pre-tax income excluding the gain from the sale of our BioPharma business and debt extinguishment costs ($2.0 billion) and from the nonrecurrence of the tax benefit recognized in 2020 for the completion of the Internal Revenue Service (IRS) audit for 2014-2015 ($0.1 billion). The increase in pre-tax income includes realized and unrealized gain on our remaining interest in Baker Hughes in 2021, compared to realized and unrealized loss in 2020. Partially offsetting these items was the nonrecurrence of the tax expense in 2020 associated with the disposition of the BioPharma business ($1.1 billion), the tax benefit on the debt extinguishment costs ($0.4 billion) as well as tax benefits associated with internal restructurings to recognize deductible stock and loan losses ($0.4 billion).

For the year ended December 31, 2020, the consolidated income tax benefit was $0.5 billion. The change in tax from a tax provision of $0.6 billion in 2019 to a tax benefit for 2020 was primarily due to the decrease in pre-tax income excluding the gain from the sale of our BioPharma business and non-deductible goodwill impairment charges ($1.5 billion) and a decrease in valuation allowances on non-U.S. deferred tax assets ($0.2 billion) partially offset by the increase in tax expense associated with the disposition of the BioPharma business in 2020 compared to the amount recognized on preparatory steps for the planned disposition in 2019 ($0.5 billion) and a decrease in benefit from the completion of IRS audits ($0.2 billion).

Absent additional taxes enacted as part of U.S. tax reform and non-U.S. losses without a tax benefit, our consolidated income tax provision is generally reduced because of the benefits of lower-taxed global operations as certain non-U.S. income is subject to local country tax rates that are below the U.S. statutory tax rate.

The rate of tax on our profitable non-U.S. earnings is below the U.S. statutory tax rate because we have significant business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate and because GE funds certain non-U.S. operations through foreign companies that are subject to low foreign taxes. Most of these earnings have been reinvested in active non-U.S. business operations and as of December 31, 2021, we have not decided to repatriate these earnings to the U.S. Given U.S. tax reform, substantially all of our net prior unrepatriated earnings were subject to U.S. tax and accordingly we generally expect to have the ability to repatriate available non-U.S. cash without additional U.S. federal tax cost and any foreign withholding taxes on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. In December 2021, the Company announced plans to form three public companies focused on aviation, healthcare and energy. Planning for and execution of this separation will result in tax including potentially tax on changes in indefinite reinvestment outside the U.S. The impact of a change in reinvestment will be recorded when there is a specific change in ability and intent to reinvest earnings.

A substantial portion of the benefit for lower-taxed non-U.S. earnings related to business operations subject to tax in countries where the tax on that income is lower than the U.S. statutory rate is derived from our Aviation operations located in Singapore where the earnings are primarily taxed at a rate of 8% and our Power operations located in Switzerland where the earnings are taxed at between 9% and 18.6%.

The rate of tax on non-U.S. operations is increased, however, because we also incur losses in foreign jurisdictions where it is not likely that the losses can be utilized and no tax benefit is provided for those losses and valuation allowances against loss carryforwards are provided when it is no longer likely that the losses can be utilized. Non-U.S. losses also limit our ability to claim U.S. foreign tax credits on certain operations, further increasing the rate of tax on non-U.S. operations. In addition, as part of U.S. tax reform, the U.S. has enacted a tax on "base eroding" payments from the U.S. We have taken restructuring actions to mitigate the impact from this provision. The U.S. has also enacted a minimum tax on foreign earnings (global intangible low tax income). Because we have tangible assets outside the U.S. and pay significant foreign taxes, we generally do not expect a significant increase in tax liability from this new U.S. minimum tax. Overall, these newly enacted provisions increase the rate of tax on our non-U.S. operations.

(BENEFIT)/EXPENSE FROM GLOBAL OPERATIONS	2021	2020	2019
Foreign tax rate difference on non-U.S. earnings	$ 137	$ (104)	$ 65
Audit resolutions	(81)	(129)	(86)
Other	99	186	526
Total (benefit)/expense	$ 155	$ (47)	$ 505

For the year ended December 31, 2021, the change from a benefit from global operations in 2020 to an expense from global operations in 2021 reflects lower benefits associated with legacy financial services operations.

For the year ended December 31, 2020, the change from an expense from global operations in 2019 to a benefit from global operations in 2020 primarily reflects decrease in valuation allowances on non-U.S. deferred tax assets.

A more detailed analysis of differences between the U.S. federal statutory rate and the consolidated effective rate, as well as other information about our income tax provisions, is provided in the Critical Accounting Estimates section and Note 14.

RESEARCH AND DEVELOPMENT. We conduct research and development (R&D) activities to continually enhance our existing products and services, develop new products and services to meet our customers' changing needs and requirements, and address new market opportunities. In addition to funding R&D internally, we also receive funding externally from our customers and partners, which contributes to the overall R&D for the company.

	GE funded			Customer and Partner funded(b)			Total R&D		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Aviation	$ 664	$ 707	$ 906	$ 972	$ 1,090	$ 911	$ 1,637	$ 1,797	$ 1,817
Healthcare	816	845	994	32	27	25	847	872	1,019
Renewable Energy	546	466	522	15	19	9	561	485	531
Power	294	317	314	34	13	13	329	330	327
Corporate(a)	177	231	382	134	106	89	311	336	471
Total	$ 2,497	$ 2,565	$ 3,118	$ 1,187	$ 1,255	$ 1,046	$ 3,685	$ 3,820	$ 4,164

(a) Includes Global Research Center and Digital business.
(b) Customer funded is principally U.S. Government funded in our Aviation segment.

DISCONTINUED OPERATIONS primarily comprise our GE Capital Aviation Services (GECAS) business, discontinued in 2021, our mortgage portfolio in Poland, and other trailing assets and liabilities associated with prior dispositions. Results of operations, financial position and cash flows for these businesses are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis. See Notes 2 and 22 for further information regarding our businesses in discontinued operations.

CAPITAL RESOURCES AND LIQUIDITY

FINANCIAL POLICY. We intend to maintain a disciplined financial policy with a sustainable investment-grade long-term credit rating. In the fourth quarter of 2021, the Company announced plans to form three industry-leading, global, investment-grade companies, each of which will determine their own financial policies, including capital allocation, dividend, mergers and acquisitions and buy back decisions.

LIQUIDITY POLICY. We maintain a strong focus on liquidity and define our liquidity risk tolerance based on sources and uses to maintain a sufficient liquidity position to meet our business needs and financial obligations under both normal and stressed conditions. We believe that our consolidated liquidity and availability under our revolving credit facilities will be sufficient to meet our liquidity needs.

CONSOLIDATED LIQUIDITY. Our primary sources of liquidity consist of cash and cash equivalents, free cash flows* from our operating businesses, cash generated from asset sales and dispositions, and short-term borrowing facilities, including revolving credit facilities. Cash generation can be subject to variability based on many factors, including seasonality, receipt of down payments on large equipment orders, timing of billings on long-term contracts, market conditions and our ability to execute dispositions. Total cash, cash equivalents and restricted cash was $15.8 billion at December 31, 2021, of which $6.4 billion was held in the U.S. and $9.4 billion was held outside the U.S.

*Non-GAAP Financial Measure

Cash held in non-U.S. entities has generally been reinvested in active foreign business operations; however, substantially all of our unrepatriated earnings were subject to U.S. federal tax and, if there is a change in reinvestment, we would expect to be able to repatriate available cash (excluding amounts held in countries with currency controls) without additional federal tax cost. Any foreign withholding tax on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. With regards to our announcement to form three public companies, we expect that planning for and execution of this separation will impact indefinite reinvestment. The impact of that change will be recorded when there is a specific change in ability and intent to reinvest earnings.

Cash, cash equivalents and restricted cash at December 31, 2021 included $2.0 billion of cash held in countries with currency control restrictions and $0.3 billion of restricted use cash. Cash held in countries with currency controls represents amounts held in countries that may restrict the transfer of funds to the U.S. or limit our ability to transfer funds to the U.S. without incurring substantial costs. Restricted use cash represents amounts that are not available to fund operations, and primarily comprised funds restricted in connection with certain ongoing litigation matters. Excluded from cash, cash equivalents and restricted cash was $0.4 billion of cash in our run-off Insurance business, which was classified as All other assets in the Statement of Financial Position.

In connection with the program we launched in 2020 to fully monetize our Baker Hughes position over approximately three years, we received total proceeds of $4.1 billion in 2021, including $1.2 billion in the fourth quarter of 2021. In addition, we received $1.3 billion in the first quarter of 2022. In addition, we expect to fully monetize our stake in AerCap over time.

We provided capital contributions to our insurance subsidiaries of $2.0 billion, $2.0 billion, $1.9 billion and $3.5 billion in the first quarters of 2021, 2020, 2019 and 2018, respectively, and expect to provide further capital contributions of approximately $5.5 billion through 2024, including approximately $2.0 billion in the first quarter of 2022, pending completion of our December 31, 2021 statutory reporting process, which includes asset adequacy testing. These contributions are subject to ongoing monitoring by the Kansas Insurance Department (KID), and the total amount to be contributed could increase or decrease, or the timing could be accelerated, based upon the results of reserve adequacy testing or a decision by KID to modify the schedule of contributions set forth in January 2018. We are required to maintain specified capital levels at these insurance subsidiaries under capital maintenance agreements.

BORROWINGS. Consolidated total borrowings were $35.2 billion and $74.9 billion at December 31, 2021 and December 31, 2020, respectively, a decrease of $39.7 billion. The reduction in borrowings was driven by debt repurchases of $32.6 billion, net repayments and maturities of debt of $4.6 billion, $1.7 billion of fair value adjustments for debt in fair value hedge relationships, and $0.8 billion related to changes in foreign exchange rates and other amortization.

We have in place committed revolving credit facilities totaling $14.4 billion at December 31, 2021, comprised of a $10.0 billion unused back-up revolving syndicated credit facility and a total of $4.4 billion of bilateral revolving credit facilities.

Liability Management Actions. During 2021, we completed debt tenders to repurchase a total of $32.6 billion of debt, comprising $7.3 billion in the second quarter of 2021 and $25.3 billion in the fourth quarter of 2021. See Note 10 for further information.

CREDIT RATINGS AND CONDITIONS. We have relied, and may continue to rely, on the short- and long-term debt capital markets to fund, among other things, a significant portion of our operations. The cost and availability of debt financing is influenced by our credit ratings. Moody's Investors Service (Moody's), Standard and Poor's Global Ratings (S&P), and Fitch Ratings (Fitch) currently issue ratings on our short- and long-term debt. As a result of our transition to one-column financial statement reporting in the fourth quarter of 2021, we are now presenting our credit ratings on a consolidated basis for the Company. Our credit ratings as of the date of this filing are set forth in the table below.

	Moody's	S&P	Fitch
Outlook	Negative	CreditWatch Negative	Stable
Short term	P-2	A-2	F3
Long term	Baa1	BBB+	BBB

In the fourth quarter of 2021, upon the completion of the GECAS transaction, Moody's and Fitch affirmed our credit rating and outlook, and S&P resolved our CreditWatch designation with no change to our rating. Upon our subsequent announcement to form three independent companies, Moody's and Fitch affirmed their respective credit ratings and outlooks, and S&P placed us on CreditWatch with negative implications.

We are disclosing our credit ratings and any current quarter updates to these ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds and access to liquidity. Our ratings may be subject to a revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. For a description of some of the potential consequences of a reduction in our credit ratings, see the Financial Risks section of Risk Factors in this report.

Substantially all of the Company's debt agreements in place at December 31, 2021 do not contain material credit rating covenants. Our unused back-up revolving syndicated credit facility and certain of our bilateral revolving credit facilities contain a customary net debt-to-EBITDA financial covenant, which we satisfied at December 31, 2021.

The Company may from time to time enter into agreements that contain minimum ratings requirements. The following table provides a summary of the maximum estimated liquidity impact in the event of further downgrades below each stated ratings level.

Triggers Below	At December 31, 2021
BBB+/A-2/P-2	$ 34
BBB/A-3/P-3	176
BBB-	1,015
BB+ and below	469

Our most significant contractual ratings requirements are related to ordinary course commercial activities. The timing within the quarter of the potential liquidity impact of these areas may differ, as can the remedies to resolving any potential breaches of required ratings levels.

FOREIGN EXCHANGE AND INTEREST RATE RISKS. As a result of our global operations, we generate and incur a significant portion of our revenues and expenses in currencies other than the U.S. dollar. Such principal currencies include the euro, the Chinese renminbi, the Indian rupee and Japanese yen, among others. The effects of foreign currency fluctuations on earnings, excluding the earnings impact of the underlying hedged item, was less than $0.1 billion for the years ended December 31, 2021 , 2020 and 2019. This analysis excludes any offsetting effect from the forecasted future transactions that are economically hedged. See Note 20 for further information about our risk exposures, our use of derivatives, and the effects of this activity on our financial statements.

Exchange rate and interest rate risks are managed with a variety of techniques, including selective use of derivatives. We apply policies to manage each of these risks, including prohibitions on speculative activities. It is our policy to minimize currency exposures and to conduct operations either within functional currencies or using the protection of hedge strategies. To test the effectiveness of our hedging actions, for interest rate risk we assumed that, on January 1, 2022, interest rates decreased by 100 basis points and the decrease remained in place for the next 12 months and for currency risk of assets and liabilities denominated in other than their functional currencies, we evaluated the effect of a 10% shift in exchange rates against the U.S. dollar (USD). The analyses indicated that our 2021 consolidated net earnings would decline by $0.1 billion for interest rate risk and less than $0.1 billion for foreign exchange risk.

LIBOR REFORM. In connection with the transition away from the use of the London interbank offered rate (LIBOR) as an interest rate benchmark, the ICE Benchmark Administration Limited (IBA) plans to cease the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. The Company's most significant exposures to LIBOR relate to preferred stock and certain floating-rate debt securities issued by the Company, which use USD LIBOR. Such preferred stock and floating rate debt are governed by New York law.

On April 6, 2021, New York State legislation addressing the cessation of USD LIBOR was signed into law, which provides a statutory remedy for contracts that include contractual fallback language that requires the selection of a benchmark replacement rate based on USD LIBOR, such as our floating rate debt and preferred stock. On the date USD LIBOR permanently ceases to be published or is announced to no longer be representative, our floating rate debt and preferred stock will be deemed to be replaced by the "recommended benchmark replacement", which is the Secured Overnight Financing Rate (SOFR) plus a spread adjustment.

Additionally, with respect to our derivatives portfolio, we are managing the transition from LIBOR based on industry-wide LIBOR reform efforts, including the LIBOR protocols issued by the International Swaps and Derivatives Association.

We are in the process of managing the transition, and any financial impact will be accounted for under Accounting Standards Update (ASU) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.

STATEMENT OF CASH FLOWS

CASH FLOWS FROM CONTINUING OPERATIONS. The most significant source of cash in CFOA is customer-related activities, the largest of which is collecting cash resulting from equipment or services sales. The most significant operating use of cash is to pay our suppliers, employees, tax authorities, and post retirement plans. GE measures itself on a free cash flows* basis. This metric includes CFOA plus investments in property, plant and equipment and additions to internal-use software; this metric excludes any cash received from dispositions of property, plant and equipment. We believe that investors may also find it useful to compare free cash flows* performance without the effects of cash flows for taxes related to business sales, contributions to the GE Pension Plan, discontinued factoring programs, operating activities related to our run-off Insurance business and eliminations related to our receivables factoring and supply chain finance programs. We believe this measure will better allow management and investors to evaluate the capacity of our operations to generate free cash flows.

The CFOA impact from factoring programs discontinued in 2021 of $(5,108) million represents the cash that our industrial businesses would have otherwise collected in the nine months ended December 31, 2021 had customer receivables not been previously sold to WCS or third parties in those discontinued programs. The CFOA impact associated with this activity in factoring programs that have now been discontinued was $(5,847) million and $(3,361) million in the year ended December 31, 2021 and 2020, respectively, an increase of $(2,487) million. The CFOA impact for the three months ended December 31, 2020 was $(1,377) million. The CFOA impact from receivables factoring and supply chain finance eliminations represents activity related to those internal programs previously facilitated for our industrial segments by our Working Capital Solutions business. We completed the exit from all internal factoring and supply chain finance programs in 2021 and therefore expect no future elimination activity related to these programs.

*Non-GAAP Financial Measure

CFOA (GAAP) AND FREE CASH FLOWS (FCF) BY SEGMENT (NON-GAAP)

For the year ended December 31, 2021	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
CFOA (GAAP)	$ 2,815	$ 1,471	$ (1,576)	$ 24	$ (1,846)	$ 888
Less: Insurance CFOA	—	—	—	—	86	86
CFOA excl. Insurance (Non-GAAP)	$ 2,815	$ 1,471	$ (1,576)	$ 24	$ (1,933)	$ 802
Add: gross additions to property, plant and equipment	(445)	(242)	(349)	(189)	(25)	(1,250)
Add: gross additions to internal-use software	(61)	(6)	(9)	(23)	(13)	(111)
Less: CFOA impact from factoring programs discontinued in 2021	(2,006)	(1,481)	(539)	(1,117)	35	(5,108)
Less: CFOA impact from receivables factoring and supply chain finance eliminations	—	—	—	—	2,666	2,666
Less: taxes related to business sales	—	—	—	—	(6)	(6)
Free cash flows (Non-GAAP)	$ 4,315	$ 2,705	$ (1,395)	$ 929	$ (4,665)	$ 1,889

For the year ended December 31, 2020	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
CFOA (GAAP)	$ 763	$ 3,143	$ (328)	$ 285	$ (2,838)	$ 1,025
Less: Insurance CFOA	—	—	—	—	(80)	(80)
CFOA excl. Insurance (Non-GAAP)	$ 763	$ 3,143	$ (328)	$ 285	$ (2,757)	$ 1,105
Add: gross additions to property, plant and equipment	(737)	(256)	(302)	(245)	(40)	(1,579)
Add: gross additions to internal-use software	(61)	(24)	(11)	(25)	(30)	(151)
Less: GE Pension Plan funding	—	—	—	—	(2,500)	(2,500)
Less: CFOA impact from receivables factoring and supply chain finance eliminations	—	—	—	—	1,419	1,419
Less: taxes related to business sales	—	—	—	—	(178)	(178)
Free cash flows (Non-GAAP)	$ (34)	$ 2,863	$ (641)	$ 15	$ (1,569)	$ 635

For the year ended December 31, 2019	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
CFOA (GAAP)	$ 5,552	$ 3,024	$ (512)	$ (1,200)	$ 1,974	$ 8,838
Less: Insurance CFOA	—	—	—	—	394	394
CFOA excl. Insurance (Non-GAAP)	$ 5,552	$ 3,024	$ (512)	$ (1,200)	$ 1,580	$ 8,444
Add: gross additions to property, plant and equipment	(1,031)	(395)	(455)	(277)	(58)	(2,216)
Add: gross additions to internal-use software	(107)	(79)	(14)	(46)	(37)	(282)
Less: CFOA impact from receivables factoring and supply chain finance eliminations	—	—	—	—	3,999	3,999
Less: taxes related to business sales	—	—	—	—	(198)	(198)
Free cash flows (Non-GAAP)	$ 4,415	$ 2,550	$ (980)	$ (1,523)	$ (2,315)	$ 2,145

Cash from operating activities was $0.9 billion in 2021, a decrease of $0.1 billion compared with 2020, primarily due to: an increase in financial services-related cash collateral paid net of settlements on derivative contracts of $3.0 billion, which is a standard market practice to minimize derivative counterparty exposures; an increase in cash used for working capital of $1.5 billion; a decrease in employee benefit liabilities (a component of All other operating activities) of $0.3 billion; partially offset by lower GE Pension Plan contributions (which are excluded from free cash flows*) of $2.5 billion; and an increase in net income (after adjusting for the gain on the sale of BioPharma, non-cash losses related to our interest in Baker Hughes, goodwill impairments, provision for income taxes, non-operating benefit costs and non-operating debt extinguishment costs) primarily due to COVID-19 pandemic impacts in our Aviation segment in 2020. There was a $0.5 billion and $0.6 billion increase in Aviation-related customer allowance accruals in 2021 and 2020, respectively.

We utilized the provision of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which allows employers to defer the payment of Social Security taxes and, as a result, we deferred $0.3 billion as of December 31, 2020. In accordance with the underlying terms, the company paid 50% of this balance during the fourth quarter of 2021. The remaining 50% is expected to be paid in 2022.

*Non-GAAP Financial Measure

Changes in working capital compared to prior year were as follows: current receivables of $1.1 billion, driven by a lower decrease in sales of receivables to third parties of $0.9 billion; inventories, including deferred inventory, of $(1.8) billion, driven by higher material purchases and lower liquidations; current contract assets of $(0.6) billion, driven by lower net unfavorable changes in estimated profitability at Aviation partially offset by the timing of revenue recognition relative to billings and collections on our long-term equipment contracts; accounts payable and equipment project accruals of $0.6 billion, driven by lower disbursements related to purchases of materials in prior periods; progress collections and current deferred income of $(0.8) billion, driven by higher net liquidations. Progress collections and current deferred income included lower early payments received at our Aviation Military equipment business of $0.3 billion from a foreign government in 2021 compared to $0.7 billion from the U.S. Department of Defense in 2020.

Cash from investing activities was $23.7 billion in 2021, an increase of $4.4 billion compared with 2020, primarily due to: an increase in proceeds of $3.7 billion from the sales of our retained ownership interest in Baker Hughes; an increase in proceeds of $1.8 billion from business dispositions ($22.4 billion from the combination of our GECAS business with AerCap in 2021, compared with $20.5 billion from the sale of our BioPharma business in 2020); partially offset by the acquisition of BK Medical by our Healthcare business of $1.5 billion. Cash used for additions to property, plant and equipment and internal-use software, which are components of free cash flows*, was $1.4 billion in 2021, down $0.4 billion compared with 2020. Cash received related to net settlements between our continuing operations and businesses in discontinued operations (primarily GECAS) was $1.6 billion and $1.7 billion in 2021 and 2020, respectively, and is a component of All other investing activities.

Cash used for financing activities was $45.3 billion in 2021, an increase of $25.5 billion compared with 2020, primarily due to: higher payments for debt extinguishments of $22.7 billion; higher other net debt maturities of $5.3 billion; lower cash settlements of $0.7 billion on derivatives hedging foreign currency debt partially offset by nonrecurrence of repayments of commercial paper of $3.0 billion in 2020. We paid cash to repurchase long term debt of $39.2 billion and $16.5 billion, including debt extinguishment costs of $7.2 billion and $0.3 billion, excluding a non-cash debt basis adjustment of $0.6 billion and an insignificant amount in 2021 and 2020, respectively.

Cash from operating activities was $1.0 billion in 2020, a decrease of $7.8 billion compared with 2019, primarily due to: a general decrease in net income (after adjusting for the gain on the sale of BioPharma, non-cash losses related to our interest in Baker Hughes, goodwill impairments, provision for income taxes, non-operating benefit costs, non-operating debt extinguishment costs and a non-cash charge related to our premium deficiency testing in 2019, which is a component of All other operating activities), primarily due to COVID-19 impacts in our Aviation segment; GE Pension Plan contributions (which are excluded from free cash flows*) of $2.5 billion; partially offset by increase in financial services-related cash collateral received net of settlements on derivative contracts of $0.6 billion; and a decrease in cash paid for income taxes of $0.5 billion. Increases in Aviation-related customer allowance accruals (which is a component of All other operating activities) of $0.6 billion were $0.2 billion higher compared with 2019.

We utilized the provision of the CARES Act which allows employers to defer the payment of Social Security taxes and, as a result, we deferred $0.3 billion as of December 31, 2020.

Changes in working capital compared to prior year were as follows: current receivables of $1.5 billion, driven by lower volume, partially offset by a higher decrease in sales of receivables to third parties of $2.6 billion; inventories, including deferred inventory, of $2.7 billion, primarily driven by lower material purchases, partially offset by lower liquidations; current contract assets of $0.7 billion, primarily due to a net unfavorable change in estimated profitability of $1.2 billion at Aviation; accounts payable and equipment project accruals of $(3.3) billion, driven by lower volume in 2020 and higher disbursements related to purchases of materials in prior periods; progress collections and current deferred income of $(1.7) billion, driven by higher net liquidations. Progress collections and current deferred income included early payments received at our Aviation Military equipment business of $0.7 billion in 2020 as part of the U.S. Department of Defense's efforts to support vendors in its supply chain during the COVID-19 pandemic.

Cash from investing activities was $19.3 billion in 2020, an increase of $7.1 billion compared with 2019, primarily due to: net proceeds from the sale of our BioPharma business in 2020 of $20.5 billion; partially offset by the nonrecurrence of proceeds from the spin-off of our Transportation business of $6.2 billion (including the sale of our retained ownership interests in Wabtec); lower proceeds from sales of our stake in Baker Hughes of $2.6 billion (including the sale of a portion of our retained ownership interests in 2020); higher net purchases of equity investments of $1.5 billion and lower cash received related to net settlements between our continuing operations and businesses in discontinued operations of $1.5 billion (both components of All other investing activities); and lower other business dispositions of $1.1 billion. Cash used for additions to property, plant and equipment and internal-use software, which are components of free cash flows*, was $1.7 billion in 2020, down $0.8 billion compared with 2019.

Cash used for financing activities was $19.8 billion in 2020, an increase of $4.1 billion compared with 2019, primarily due to: higher payments for debt extinguishments of $11.4 billion; a reduction in commercial paper of $3.0 billion; partially offset by an increase in other net debt issuances of $9.4 billion and lower cash settlements of $1.1 billion on derivatives hedging foreign currency debt. We paid cash to repurchase long term debt of $16.5 billion and $5.1 billion, including cash paid for debt extinguishment costs of $0.3 billion and $0.3 billion in 2020 and 2019, respectively.

CASH FLOWS FROM DISCONTINUED OPERATIONS. Cash from operating activities in 2021 related primarily to cash generated from earnings (loss) from discontinued operations in our GECAS business. Cash used for investing activities decreased in 2021 compared with 2020, primarily due to an increase in net purchases of plant, property and equipment partially offset by an increase in net collections of financing receivables.

*Non-GAAP Financial Measure

Cash from operating activities in 2020 related primarily to cash generated from earnings (loss) from discontinued operations in our GECAS business. Cash used for investing activities decreased in 2020 compared with 2019 due to the deconsolidation of Baker Hughes cash as a result of the reduction in our ownership interest in the segment in the third quarter of 2019 partially offset by lower business dispositions.

SUPPLY CHAIN FINANCE PROGRAMS. We facilitate voluntary supply chain finance programs with third parties, which provide participating suppliers the opportunity to sell their GE receivables to third parties at the sole discretion of both the suppliers and the third parties. At December 31, 2021 and December 31, 2020, included in accounts payable was $3.4 billion and $2.9 billion, respectively, of supplier invoices that are subject to the third-party programs. Total supplier invoices paid through these third-party programs were $6.9 billion and $4.9 billion for the years ended December 31, 2021 and 2020, respectively.

CRITICAL ACCOUNTING ESTIMATES. Accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Actual results in these areas could differ from management's estimates. See Note 1 for further information on our most significant accounting policies.

REVENUE RECOGNITION ON LONG-TERM SERVICES AGREEMENTS. We have long-term service agreements with our customers predominately within our Power and Aviation segments that require us to maintain the customers' assets over the contract terms, which generally range from 5 to 25 years. However, contract modifications that extend or revise contracts are not uncommon. We recognize revenue as we perform under the arrangements using the percentage of completion method which is based on our costs incurred to date relative to our estimate of total expected costs. This requires us to make estimates of customer payments expected to be received over the contract term as well as the costs to perform required maintenance services.

Customers generally pay us based on the utilization of the asset (per hour of usage for example) or upon the occurrence of a major event within the contract such as an overhaul. As a result, a significant estimate in determining expected revenues of a contract is estimating how customers will utilize their assets over the term of the agreement. The estimate of utilization, which can change over the contract life, impacts both the amount of customer payments we expect to receive and our estimate of future contract costs. Customers' asset utilization will influence the timing and extent of overhauls and other service events over the life of the contract. We generally use a combination of both historical utilization trends as well as forward-looking information such as market conditions and potential asset retirements in developing our revenue estimates.

To develop our cost estimates, we consider the timing and extent of future maintenance and overhaul events, including the amount and cost of labor, spare parts and other resources required to perform the services. In developing our cost estimates, we utilize a combination of our historical cost experience and expected cost improvements. Cost improvements are only included in future cost estimates after savings have been observed in actual results or proven effective through an extensive regulatory or engineering approval process.

We routinely review estimates under long-term service agreements and regularly revise them to adjust for changes in outlook. These revisions are based on objectively verifiable information that is available at the time of the review. Contract modifications that change the rights and obligations, as well as the nature, timing and extent of future cash flows, are evaluated for potential price concessions, contract asset impairments and significant financing to determine if adjustments of earnings are required before effectively accounting for a modified contract as a new contract.

We regularly assess expected billings adjustments and customer credit risk inherent in the carrying amounts of receivables and contract assets, including the risk that contractual penalties may not be sufficient to offset our accumulated investment in the event of customer termination. We gain insight into future utilization and cost trends, as well as credit risk, through our knowledge of the installed base of equipment and fleet management strategies through close interaction with our customers that comes with supplying critical services and parts over extended periods. Revisions may affect a long-term services agreement's total estimated profitability resulting in an adjustment of earnings.

On December 31, 2021, our net long-term service agreements balance of $0.6 billion represents approximately 0.3% of our total estimated life of contract billings of $187.4 billion. Our contracts (on average) are approximately 19.0% complete based on costs incurred to date and our estimate of future costs. Revisions to our estimates of future billings or costs that increase or decrease total estimated contract profitability by one percentage point would increase or decrease the long-term service agreements balance by $0.4 billion. Billings collected on these contracts were $10.0 billion and $9.6 billion during the years ended December 31, 2021 and 2020, respectively. See Notes 1 and 8 for further information.

IMPAIRMENT OF GOODWILL AND OTHER IDENTIFIED INTANGIBLE ASSETS. We perform our annual goodwill impairment testing in the fourth quarter. In assessing the possibility that a reporting unit's fair value has been reduced below its carrying amount due to the occurrence of events or circumstances between annual impairment testing dates, we consider all available evidence, including (i) the results of our impairment testing from the most recent testing date (in particular, the magnitude of the excess of fair value over carrying value observed), (ii) downward revisions to internal forecasts or decreases in market multiples (and the magnitude thereof), if any, and (iii) declines in market capitalization below book value (and the magnitude and duration of those declines), if any.

We determine fair value for each of the reporting units using the market approach, when available and appropriate, or the income approach, or a combination of both. We assess the valuation methodology based upon the relevance and availability of the data at the time we perform the valuation. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services. A market approach is limited to reporting units for which there are publicly traded companies that have the characteristics similar to our businesses.

Under the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. We use our internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for each business. We derive our discount rates using a capital asset pricing model and analyzing published rates for industries relevant to our reporting units to estimate the cost of equity financing. We use discount rates that are commensurate with the risks and uncertainty inherent in the respective businesses and in our internally developed forecasts. Discount rates used in our annual reporting unit valuations ranged from 11.5% to 20.5%.

Estimating the fair value of reporting units requires the use of significant judgments that are based on a number of factors including actual operating results, internal forecasts, market observable pricing multiples of similar businesses and comparable transactions, possible control premiums, determining the appropriate discount rate and long-term growth rate assumptions, and, if multiple approaches are being used, determining the appropriate weighting applied to each approach. It is reasonably possible that the judgments and estimates described above could change in future periods.

We review identified intangible assets with defined useful lives and subject to amortization for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss has occurred requires the use of our internal forecast to estimate future cash flows and the useful life over which these cash flows will occur. To determine fair value, we use our internal cash flow estimates discounted at an appropriate discount rate. See Notes 1 and 7 for further information.

INSURANCE AND INVESTMENT CONTRACTS. Refer to the Other Items - Insurance section for further discussion of the accounting estimates and assumptions in our insurance reserves and their sensitivity to change. See Notes 1 and 11 for further information.

PENSION ASSUMPTIONS. Refer to Note 12 for our accounting estimates and assumptions related to our postretirement benefit plans.

INCOME TAXES. Our annual tax rate is based on our income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining our tax expense and in evaluating our tax positions, including evaluating uncertainties. We review our tax positions quarterly and adjust the balances as new information becomes available. Our income tax rate is significantly affected by the tax rate on our global operations. In addition to local country tax laws and regulations, this rate can depend on the extent earnings are indefinitely reinvested outside the U.S. Historically U.S. taxes were due upon repatriation of foreign earnings. Due to the enactment of U.S. tax reform, repatriations of available cash from foreign earnings are expected to be free of U.S. federal income tax but may incur withholding or state taxes. Indefinite reinvestment is determined by management's judgment about and intentions concerning the future operations of the Company. Most of these earnings have been reinvested in active non-U.S. business operations. At December 31, 2021, we have not changed our indefinite reinvestment decision as a result of tax reform but we reassess this on an ongoing basis. In December 2021, the Company announced plans to form three public companies focused on aviation, healthcare and energy. Planning for and execution of this separation will result in tax including potentially tax on changes in indefinite reinvestment outside the U.S. The impact of a change in reinvestment will be recorded when there is a specific change in ability and intent to reinvest earnings.

We evaluate the recoverability of deferred income tax assets by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies, which heavily rely on estimates. We use our historical experience and our short- and long-range business forecasts to provide insight. Further, our global and diversified business portfolio gives us the opportunity to employ various prudent and feasible tax planning strategies to facilitate the recoverability of future deductions. Amounts recorded for deferred tax assets related to non-U.S. net operating losses, net of valuation allowances, were $1.5 billion and $2.1 billion at December 31, 2021 and 2020, respectively. Of this, $0.1 billion and $0.3 billion at December 31, 2021 and 2020, respectively, were associated with losses reported in discontinued operations, primarily related to our legacy financial services businesses. See Other Consolidated Information – Income Taxes section and Notes 1 and 14 for further information.

LOSS CONTINGENCIES. Loss contingencies are uncertain and unresolved matters that arise in the ordinary course of business and result from events or actions by others that have the potential to result in a future loss. Such contingencies include, but are not limited to, environmental obligations, litigation, regulatory investigations and proceedings, product quality and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there appears to be a range of possible costs with equal likelihood, liabilities are based on the low-end of such range. However, the likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a meaningful estimate of the loss or a range of loss may not be practicable based on the information available and the potential effect of future events and negotiations with or decisions by third parties that will determine the ultimate resolution of the contingency. Moreover, it is not uncommon for such matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated to determine both the likelihood of potential loss and whether it is possible to reasonably estimate a range of possible loss. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made, and when it is reasonably possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. See Note 22 for further information.

OTHER ITEMS

INSURANCE. The run-off insurance operations of North American Life and Health (NALH) primarily include Employers Reassurance Corporation (ERAC) and Union Fidelity Life Insurance Company (UFLIC). ERAC primarily assumes long-term care insurance and life insurance from numerous cedents under various types of reinsurance treaties and stopped accepting new policies after 2008. UFLIC primarily assumes long-term care insurance, structured settlement annuities with and without life contingencies and variable annuities from Genworth Financial Inc.(Genworth) and has been closed to new business since 2004. The vast majority of NALH's reinsurance exposures are long-duration arrangements that still involve substantial levels of premium collections and benefit payments even though ERAC and UFLIC have not entered into new reinsurance treaties in more than a decade. These long-duration arrangements involve a number of direct writers and contain a range of risk transfer provisions and other contractual elements. In many instances, these arrangements do not transfer to us 100 percent of the risk embodied in the encompassed underlying policies issued by the direct writers. Furthermore, we cede insurance risk to third-party reinsurers for a portion of our insurance contracts, primarily on long-term care insurance policies.

Our run-off insurance liabilities and annuity benefits primarily comprise a liability for future policy benefits for those insurance contract claims not yet incurred and claim reserves for claims that have been incurred or are estimated to have been incurred but not yet reported. The insurance liabilities and annuity benefits amounted to $37.2 billion and $42.2 billion and primarily relate to individual long-term care insurance reserves of $21.7 billion and $21.3 billion and structured settlement annuities and life insurance reserves of $10.3 billion and $10.7 billion, at December 31, 2021 and 2020, respectively. The decrease in insurance liabilities and annuity benefits of $5.0 billion from December 31, 2020 to December 31, 2021 is primarily due to an adjustment of $4.8 billion resulting from the higher margin from the 2021 premium deficiency test and the decline in unrealized gains on investment securities that would result in a premium deficiency should those gains be realized.

In addition to NALH, Electric Insurance Company (EIC) is a property and casualty insurance company primarily providing insurance to GE and its employees with net claim reserves of $0.2 billion and $0.3 billion at December 31, 2021 and 2020, respectively.

We regularly monitor emerging experience in our run-off insurance operations and industry developments to identify trends that may help us refine our reserve assumptions. We believe recent elevated mortality across our portfolio and lower long-term care insurance claims are short term in nature and attributable to COVID-19. However, the effects of COVID-19, including the continued emergence of variants and success of vaccinations, remain uncertain and may result in variability in levels of future mortality and long-term care insurance claims activity, including changes in policyholder behavior (e.g., policyholder willingness to enter long-term care facilities or seek care at home), among others. These monitoring activities also allow us to evaluate opportunities to reduce our insurance risk profile and improve the results of our run-off insurance operations. Such opportunities may include the pursuit of future premium rate increases and benefit reductions on long-term care insurance contracts in accordance with our reinsurance contracts with our ceding companies; recapture and reinsurance transactions to reduce risk where economically justified; investment strategies to improve asset and liability matching and enhance investment portfolio yields; and managing our expense levels.

Key Portfolio Characteristics

Long-term care insurance contracts. The long-term care insurance contracts we reinsure provide coverage at varying levels of benefits to policyholders and may include attributes that could result in claimants being on claim for longer periods or at higher daily claim costs, or alternatively limiting the premium paying period, compared to contracts with a lower level of benefits. For example, policyholders with a lifetime benefit period could receive coverage up to the specified daily maximum as long as the policyholder is claim eligible and receives care for covered services; inflation protection options increase the daily maximums to protect the policyholder from the rising cost of care with some options providing automatic annual increases of 3% to 5% or policyholder elected inflation-indexed increases for increased premium; joint life policies provide coverage for two lives which permit either life under a single contract to receive benefits at the same time or separately; and premium payment options may limit the period over which the policyholder pays premiums while still receiving coverage after premium payments cease, which may limit the impact of our benefit from future premium rate increases.

The ERAC long-term care insurance portfolio comprises more than two-thirds of our total long-term care insurance reserves and is assumed from approximately 30 ceding companies through various types of reinsurance and retrocession contracts having complex terms and conditions. Compared to the overall long-term care insurance block, it has a lower average attained age and more policies (and covered lives, as over one-third of the policies are joint life policies) with lifetime benefit periods and/or with inflation protection options which may result in a higher potential for future claims.

The UFLIC long-term care insurance block comprises the remainder of our total long-term care insurance reserves and is more mature with policies that are more uniform, as it is assumed from a single ceding company, Genworth, and has fewer policies with lifetime benefit periods, no joint life policies and slightly more policies with inflation protection options.

Presented in the table below are GAAP and statutory reserve balances and key attributes of our long-term care insurance portfolio.

December 31, 2021		ERAC		UFLIC		Total
Gross GAAP future policy benefit reserves and claim reserves	$	16,274	$	5,370	$	21,644
Gross statutory future policy benefit reserves and claim reserves(a)		24,407		6,625		31,032
Number of policies in force		183,300		57,300		240,600
Number of covered lives in force		244,300		57,300		301,600
Average policyholder attained age		77		83		78
Gross GAAP future policy benefit reserve per policy (in actual dollars)	$	75,100	$	58,100	$	71,100
Gross GAAP future policy benefit reserve per covered life (in actual dollars)		56,400		58,100		56,700
Gross statutory future policy benefit reserve per policy (in actual dollars)(a)		118,800		79,100		109,300
Gross statutory future policy benefit reserve per covered life (in actual dollars)(a)		89,100		79,100		87,200
Percentage of policies with:						
Lifetime benefit period		70 %		33 %		61 %
Inflation protection option		81 %		91 %		83 %
Joint lives		33 %		— %		25 %
Percentage of policies that are premium paying		72 %		78 %		74 %
Policies on claim		10,800		8,400		19,200

(a) Statutory balances reflect recognition of the estimated remaining statutory increase in reserves of approximately $3.6 billion through 2023 under the permitted accounting practice discussed further below and in Note 11.

Structured settlement annuities and life insurance contracts. We reinsure approximately 27,400 structured settlement annuities with an average attained age of 54. These structured settlement annuities were primarily underwritten on impaired lives (i.e., shorter-than-average life expectancies) at origination and have projected payments extending decades into the future. Our primary risks associated with these contracts include mortality (i.e., life expectancy or longevity), mortality improvement (i.e., assumed rate that mortality is expected to reduce over time), which may extend the duration of payments on life contingent contracts beyond our estimates, and reinvestment risk (i.e., a low interest rate environment may reduce our ability to achieve our targeted investment margins). Unlike long-term care insurance, structured settlement annuities offer no ability to require additional premiums or reduce benefits.

Our life reinsurance business typically covers the mortality risk associated with various types of life insurance policies that we reinsure from approximately 150 ceding company relationships where we pay a benefit based on the death of a covered life. As of December 31, 2021, across our U.S. and Canadian life insurance blocks, we reinsure approximately $70 billion of net amount at risk (i.e., difference between the death benefit and any accrued cash value) from approximately 1.7 million policies with an average attained age of 60. In 2021, our incurred claims were approximately $0.6 billion with an average individual claim of approximately $50,000. The covered products primarily include permanent life insurance and 20 and 30-year level term insurance. We anticipate a significant portion of the 20-year level term policies, which represent approximately 25% of the net amount of risk, to lapse through 2024 as the policies reach the end of their 20-year level premium period.

Investment portfolio and other adjustments. Our insurance liabilities and annuity benefits are primarily supported by investment securities of $41.6 billion and $42.0 billion and commercial mortgage loans of $1.8 billion and $1.8 billion at December 31, 2021 and 2020, respectively. Additionally, we expect to purchase approximately $5.5 billion of new assets through 2024 in conjunction with expected capital contributions to our insurance subsidiaries, of which approximately $2.0 billion is expected to be contributed in the first quarter of 2022, pending completion of our December 31, 2021 statutory reporting process, which includes asset adequacy testing. Our investment securities are classified as available-for-sale and comprise mainly investment-grade debt securities. The portfolio includes $6.7 billion of net unrealized gains that are recorded within Accumulated other comprehensive income (AOCI), net of applicable taxes and other adjustments as of December 31, 2021.

In calculating our future policy benefit reserves, we are required to consider the impact of net unrealized gains and losses on our available-for-sale investment securities supporting our insurance contracts as if those unrealized amounts were realized. To the extent that the realization of gains would result in a premium deficiency, an adjustment is recorded to increase future policy benefit reserves with an after-tax offset to Accumulated other comprehensive income. At December 31, 2021, $3.4 billion of net unrealized gains on our investment securities required a related increase to future policy benefit reserves. This adjustment decreased from $8.2 billion in 2020 to $3.4 billion in 2021 primarily from the higher margin resulting from the 2021 premium deficiency test and the decline in unrealized gains on investment securities. See Note 3 for further information about our investment securities.

We manage the investments in our run-off insurance operations under strict investment guidelines, including limitations on asset class concentration, single issuer exposures, asset-liability duration variances, and other factors to meet credit quality, yield, liquidity and diversification requirements associated with servicing our insurance liabilities under reasonable circumstances. This process includes consideration of various asset allocation strategies and incorporates information from several external investment advisors to improve our investment yield subject to maintaining our ability to satisfy insurance liabilities when due, as well as considering our risk-based capital requirements, regulatory constraints, and tolerance for surplus volatility. With the expected capital contributions through 2024, we intend to further diversify our portfolio, including with non-traditional asset classes such as private equity, senior secured loans and infrastructure debt, among others. Asset allocation planning is a dynamic process that considers changes in market conditions, risk appetite, liquidity needs and other factors which are reviewed on a periodic basis by our investment team. Investing in these assets exposes us to both credit risk (i.e., debtor's ability to make timely payments of principal and interest), interest rate risk (i.e., market price, cash flow variability, and reinvestment risk due to changes in market interest rates) and equity risk (i.e., the risk arising from changes in the prices of equity instruments). We regularly review investment securities for impairment using both quantitative and qualitative criteria.

Our run-off insurance operations have approximately $0.8 billion of assets held by states or other regulatory bodies in statutorily required deposit accounts, and approximately $31.0 billion of assets held in trust accounts associated with reinsurance contracts and reinsurance security trust agreements in place between either ERAC or UFLIC as the reinsuring entity and a number of ceding insurers. Assets in these trusts are held by an independent trustee for the benefit of the ceding insurer, and are subject to various investment guidelines as set forth in the respective reinsurance contracts and trust agreements. Some of these trust agreements may allow a ceding company to withdraw trust assets from the trust and hold these assets on its balance sheet, in an account under its control for the benefit of ERAC or UFLIC which might allow the ceding company to exercise investment control over such assets.

Critical Accounting Estimates. Our insurance reserves include the following key accounting estimates and assumptions described below.

Future policy benefit reserves. Future policy benefit reserves represent the present value of future policy benefits less the present value of future gross premiums based on actuarial assumptions including, but not limited to, morbidity (i.e., frequency and severity of claim, including claim termination rates and benefit utilization rates); morbidity improvement (i.e., assumed rate of improvement in morbidity in the future); mortality (i.e., life expectancy or longevity); mortality improvement (i.e., assumed rate that mortality is expected to reduce over time); policyholder persistency or lapses (i.e., the length of time a policy will remain in force); anticipated premium increases or benefit reductions associated with future in-force rate actions, including actions that are: (a) approved and not yet implemented, (b) filed but not yet approved, and (c) estimated on future filings through 2030, on long-term care insurance policies; and interest rates. Assumptions are locked-in throughout the remaining life of a contract unless a premium deficiency develops.

Claim reserves. Claim reserves are established when a claim is incurred and represents our best estimate of the present value of the ultimate obligations for future claim payments and claim adjustment expenses. Key inputs include actual known facts about the claim, such as the benefits available and cause of disability of the claimant, as well as assumptions derived from our actual historical experience and expected future changes in experience factors. Claim reserves are evaluated periodically for potential changes in loss estimates with the support of qualified actuaries, and any changes are recorded in earnings in the period in which they are determined.

Reinsurance recoverables. We cede insurance risk to third-party reinsurers for a portion of our insurance contracts, primarily on long-term care insurance policies, and record receivables for estimated recoveries as we are not relieved from our primary obligation to policyholders or cedents. These receivables are estimated in a manner consistent with the future policy benefit reserves and claim reserves. Reserves ceded to reinsurers, net of allowance, were $2.7 billion and $2.6 billion at December 31, 2021 and 2020, respectively, and are included in the caption All other assets in our Statement of Financial Position.

Premium Deficiency Testing. We annually perform premium deficiency testing in the third quarter in the aggregate across our run-off insurance portfolio. The premium deficiency testing assesses the adequacy of future policy benefit reserves, net of unamortized capitalized acquisition costs, using current assumptions without provision for adverse deviation. A comprehensive review of premium deficiency assumptions is a complex process and depends on a number of factors, many of which are interdependent and require evaluation individually and in the aggregate across all insurance products. The vast majority of our run-off insurance operations consists of reinsurance from multiple ceding insurance entities pursuant to treaties having complex terms and conditions. Premium deficiency testing relies on claim and policy information provided by these ceding entities and considers the reinsurance treaties and underlying policies. In order to utilize that information for purposes of completing experience studies covering all key assumptions, we perform detailed procedures to conform and validate the data received from the ceding entities. Our long-term care insurance business includes coverage where credible claim experience for higher attained ages is still emerging, and to the extent future experience deviates from current expectations, new projections of claim costs extending over the expected life of the policies may be required. Significant uncertainties exist in making projections for these long-term care insurance contracts, which requires that we consider a wide range of possible outcomes.

The primary assumptions used in the premium deficiency tests include:

Morbidity. Morbidity assumptions used in estimating future policy benefit reserves are based on estimates of expected incidences of disability among policyholders and the costs associated with these policyholders asserting claims under their contracts, and these estimates account for any expected future morbidity improvement. For long-term care exposures, estimating expected future costs includes assessments of incidence (probability of a claim), utilization (amount of available benefits expected to be incurred) and continuance (how long the claim will last). Prior to 2017, premium deficiency assumptions considered the risk of anti-selection by including issue age adjustments to morbidity based on an actuarial assumption that long-term care policies issued to younger individuals would exhibit lower expected incidences and claim costs than those issued to older policyholders. Recent claim experience and the development of reconstructed claim cost curves indicated issue age differences had minimal impact on claim cost projections, and, accordingly, beginning in 2017, issue age adjustments were eliminated in developing morbidity assumptions. Higher morbidity increases, while lower morbidity decreases, the present value of expected future benefit payments.

Rate of Change in Morbidity. Our annual premium deficiency testing incorporates our best estimates of projected future changes in the morbidity rates reflected in our base claim cost curves. These estimates draw upon a number of inputs, some of which are subjective, and all of which are interpreted and applied in the exercise of professional actuarial judgment in the context of the characteristics specific to our portfolios. This exercise of judgment considers factors such as the work performed by internal and external independent actuarial experts engaged to advise us in our annual testing, the observed actual experience in our portfolios measured against our base projections, industry developments, and other trends, including advances in the state of medical care and health-care technology development. With respect to industry developments, we take into account that there are differences between and among industry peers in portfolio characteristics (such as demographic features of the insured populations), the aggregate effect of morbidity improvement or deterioration as applied to base claim cost projections, the extent to which such base cost projections reflect the most current experience, and the accepted diversity of practice in actuarial professional judgment. We assess the potential for any change in morbidity with reference to our existing base claim cost projections, reconstructed in 2017. Projected improvement or deterioration in morbidity can have a material impact on our future claim cost projections, both on a stand-alone basis and also by virtue of influencing other variables such as discount rate and premium rate increases.

Mortality. Mortality assumptions used in estimating future policy benefit reserves are based on published mortality tables as adjusted for the results of our experience studies and estimates of expected future mortality improvement. For life insurance products, higher mortality increases the present value of expected future benefit payments, while for annuity and long-term care insurance contracts, higher mortality decreases the present value of expected future benefit payments.

Discount rate. Interest rate assumptions used in estimating the present value of future policy benefit reserves are based on expected investment yields, net of related investment expenses and expected defaults. In estimating future investment yields, we consider the actual yields on our current investment securities held by our run-off insurance operations and the future rates at which we expect to reinvest any proceeds from investment security maturities, net of other operating cash flows, and the projected future capital contributions into our run-off insurance operations. Lower future investment yields result in a lower discount rate and a higher present value of future policy benefit reserves.

Future long-term care premium rate increases. Long-term care insurance policies allow the issuing insurance entity to increase premiums, or alternatively allow the policyholder the option to decrease benefits, with approval by state regulators, should actual experience emerge worse than what was projected when such policies were initially underwritten. As a reinsurer, we rely upon the primary insurers that issued the underlying policies to file proposed premium rate increases on those policies with the relevant state insurance regulators. While we have no direct ability to seek or to institute such premium rate increases, we often collaborate with the primary insurers in accordance with reinsurance contractual terms to file proposed premium rate increases. The amount of times that rate increases have occurred varies by ceding company. We consider recent experience of rate increase filings made by our ceding companies along with state insurance regulatory processes and precedents in establishing our current expectations. Higher future premium rate increases lower the present value of future policy benefit reserves and lower future premium rate increases increase the present value of future policy benefit reserves.

Terminations. Terminations refers to the rate at which the underlying policies are cancelled due to either mortality, lapse (non-payment of premiums by a policyholder), or, in the case of long-term care insurance, benefit exhaustion. Termination rate assumptions used in estimating the present value of future policy benefit reserves are based on the results of our experience studies and reflect actuarial judgment. Lower termination rates increase, while higher termination rates decrease, the present value of expected future benefit payments.

In 2017, based on elevated claim experience for a portion of our long-term care insurance contracts, we initiated a comprehensive review of all premium deficiency testing assumptions across all insurance products, resulting in a reconstruction of our future claim cost projections for long-term care insurance products. While our long-term care insurance claim experience has shown some emerging modest favorable experience, it remains largely in-line with those reconstructed projections. However, the extent of actual experience since 2017 to date is limited in the context of a long-tailed, multi-decade portfolio.

2021 Premium Deficiency Testing. We completed our annual premium deficiency testing in the aggregate across our run-off insurance portfolio in the third quarter of 2021. These procedures included updating experience studies since our last test completed in the third quarter of 2020, independent actuarial analysis (principally on long-term care insurance exposures) and review of industry benchmarks. Our 2021 premium deficiency testing started with the positive margin of less than 2% of the recorded future policy benefit reserves that resulted from our 2020 premium deficiency testing. Using updated assumptions, the 2021 premium deficiency testing results indicated a significant increase in the positive margin to approximately 11% of the related future policy benefit reserves recorded at September 30, 2021. As a result, the assumptions updated in connection with the premium deficiency recognized in 2019 remain locked-in and will remain so unless another premium deficiency occurs in the future.

The significant increase in the premium deficiency testing margin resulting from our 2021 premium deficiency testing was largely attributable to an increase in the overall discount rate to a weighted average rate of 6.15% compared to 5.70% in 2020 ($2.2 billion). This increase in the discount rate from 2020 reflects further progress of our previously communicated investment portfolio realignment strategy, that includes increased amounts allocated to growth assets, consisting of private equity, equity-like securities and select high yield credit strategies, from our previous target of approximately 8% up to approximately 15%. These amounts are expected to be funded over the next 5 to 7 years from the remaining projected capital contribution of approximately $5.5 billion through 2024 and regular portfolio cash flows while maintaining an overall A-rated fixed income portfolio. The 2021 discount rate assumptions also reflect a lower expected reinvestment rate on fixed-income investments versus that applied in 2020, due to lower prevailing benchmark interest rates in the U.S, grading to a lower expected long-term average investment yield over a shorter period and slightly lower actual yields on our fixed-income investment security portfolio. As a result of this increased allocation to higher-yielding assets, our run-off insurance operations may experience future earnings volatility due to investments carried at fair value with changes in fair values reported in earnings and changes in the allowance for credit losses, and temporary elevated amounts of unfunded investment commitments.

While our observed long-term care insurance claim experience has shown some modest favorable emerging morbidity experience in the period since the 2017 reconstruction of our future claim cost projections, it remains largely in-line with those reconstructed projections. Based on the application of professional actuarial judgment to the factors discussed above, we have made no substantial change to our assumptions concerning morbidity, morbidity improvement, mortality, mortality improvement, terminations, or long-term care insurance premium rate increases in 2021. As with all assumptions underlying our premium deficiency testing, we will continue to monitor these factors, which may result in future changes in our assumptions.

Since our premium deficiency testing performed in 2020, we have implemented approximately $0.2 billion of previously approved long-term care insurance premium rate increase actions and made no substantial changes to the amount of projected future premium rate increase approvals. Our 2021 premium deficiency test includes approximately $1.7 billion of anticipated future premium increases or benefit reductions associated with future in-force rate actions, of which approximately $0.9 billion has been approved and not yet implemented. This represents a decrease of $0.2 billion from our 2020 premium deficiency test to account for actions that are: (a) approved and not yet implemented, (b) filed but not yet approved, and (c) estimated on future filings through 2030 and includes the effects of the higher discount rate mentioned above and longer anticipated timing to achieve and implement certain premium rate approvals.

As a result of exposure period cut-off dates to permit experience to develop and lags in ceding company data reporting from our ceding companies, the impact of COVID-19 was generally not reflected in the experience studies data used in our 2021 premium deficiency testing. However, we assessed certain scenarios to better understand potential impacts associated with COVID-19 and, due to the currently observed insignificance and perceived short-term nature of such uncertain future impacts, including the natural offsets from mortality in the aggregate across our run-off insurance products (i.e., for life insurance products, higher mortality increases the present value of expected future benefit payments, while for annuity and long-term care insurance contracts, higher mortality decreases the present value of expected future benefit payments), concluded adjustments to our primary assumptions used in the premium deficiency testing were not warranted.

When results of the premium deficiency testing indicate overall reserves are sufficient, we are also required to assess whether additional future policy benefit reserves are required to be accrued over time in the future. Such an accrual would be required if profits are projected in earlier future periods followed by losses projected in later future years (i.e., profits followed by losses). When this pattern of profits followed by losses is projected, we would be required to accrue a liability in the expected profitable years by the amount necessary to offset projected losses in later future years. We noted our projections as of third quarter 2021 indicate the present value of projected earnings in each future year to be positive, and therefore, no further adjustments to our future policy benefit reserves were required at this time.

GAAP Reserve Sensitivities. The results of our premium deficiency testing are sensitive to the assumptions described above. Considering the results of the 2021 premium deficiency test which resulted in a margin, any future net adverse changes in our assumptions may reduce the margin or result in a premium deficiency requiring an increase to future policy benefit reserves. For example, hypothetical adverse changes in key assumptions related to our future policy benefits reserves, holding all other assumptions constant, would have the following estimated increase to the projected present value of future cash flows as presented in the table below. Any future net favorable changes to these assumptions could result in a lower projected present value of future cash flows and additional margin in our premium deficiency test and higher income over the remaining duration of the portfolio, including higher investment income. The assumptions within our future policy benefit reserves are subject to significant uncertainties, including those inherent in the complex nature of our reinsurance treaties. Many of our assumptions are interdependent and require evaluation individually and in the aggregate across all insurance products. Small changes in the amounts used in the sensitivities, the use of different factors or effect from converting to modeling future cash flow projections for our long-term insurance exposures to a "first principles" model based on more granular assumptions of expected future claim experience could result in materially different outcomes from those reflected below.

	2020 assumption	2021 assumption	Hypothetical change in 2021 assumption	Estimated increase to projected present value of future cash flows
Long-term care insurance morbidity improvement	1.25% per year over 12 to 20 years	1.25% per year over 12 to 20 years	25 basis point reduction No morbidity improvement	$500 $2,700
Long-term care insurance morbidity	Based on company experience	Based on company experience	5% increase in dollar amount of paid claims	$900
Long-term care insurance mortality improvement	0.5% per year for 10 years with annual improvement graded to 0% over next 10 years	0.5% per year for 10 years with annual improvement graded to 0% over next 10 years	1.0% per year for 10 years with annual improvement graded to 0% over next 10 years	$400
Total terminations:				
Long-term care insurance mortality	Based on company experience	Based on company experience	Any change in termination assumptions that reduce total terminations by 10%	$900
Long-term care insurance lapse rate	Varies by block, attained age and benefit period; average 0.5% - 1.15%	Varies by block, attained age and benefit period; average 0.5% -1.15%		
Long-term care insurance benefit exhaustion	Based on company experience	Based on company experience		
Long-term care insurance future premium rate increases	Varies by block based on filing experience	Varies by block based on filing experience	25% adverse change in premium rate increase success rate	$400
Discount rate:				
Overall discount rate	5.70%	6.15%	25 basis point reduction	$800
Reinvestment rate	2.70%; grading to a long-term average investment yield of 5.8%	2.60%; grading to a long-term average investment yield of 5.1%	25 basis point reduction; grading to a long-term average investment yield of 5.1%	Less than $100
Structured settlement annuity mortality	Based on company experience	Based on company experience	5% decrease in mortality	$100
Life insurance mortality	Based on company experience	Based on company experience	5% increase in mortality	$300

Statutory Considerations. Our run-off insurance subsidiaries are required to prepare statutory financial statements in accordance with statutory accounting practices. Statutory accounting practices, not GAAP, determine the minimum required statutory capital levels of our insurance legal entities. We annually perform statutory asset adequacy testing and expect our December 31, 2021 testing process to be completed in the first quarter of 2022, the results of which may affect the amount or timing of capital contributions from GE to the insurance legal entities.

Statutory accounting practices are set forth by the National Association of Insurance Commissioners (NAIC) as well as state laws, regulation and general administrative rules and differ in certain respects from GAAP. Under statutory accounting practices, base formulaic reserve assumptions typically do not change unless approved by our primary regulator, KID. In addition to base reserves, statutory accounting practices require additional actuarial reserves (AAR) be established based on results of asset adequacy testing reflecting moderately adverse conditions (i.e., assumptions include a provision for adverse deviation (PAD) rather than current assumptions without a PAD as required for premium deficiency testing under GAAP). As a result, our statutory asset adequacy testing assumptions reflect less long-term care insurance morbidity improvement and for shorter durations, restrictions on future long-term care insurance premium rate increases, no life insurance mortality improvement and a lower discount rate, among other differences. As a result, several of the sensitivities described in the table above would be less impactful on our statutory reserves.

The adverse impact on our statutory AAR arising from our revised assumptions in 2017, including the collectability of reinsurance recoverables, is expected to require approximately $14.5 billion of additional capital to our run-off insurance subsidiaries in 2018-2024. For statutory accounting purposes, KID approved our request for a permitted accounting practice to recognize the 2017 AAR increase over a seven-year period. Capital of $2.0 billion, $2.0 billion, $1.9 billion and $3.5 billion were contributed to our run-off insurance subsidiaries in the first quarter of 2021, 2020, 2019 and 2018, respectively. We expect to provide further capital contributions of approximately $5.5 billion through 2024 (of which approximately $2.0 billion is expected to be contributed in the first quarter of 2022, pending completion of our December 31, 2021 statutory reporting process, which includes asset adequacy testing), subject to ongoing monitoring by KID. GE is a party to capital maintenance agreements with ERAC and UFLIC under which GE is required to maintain their minimum statutory capital levels at 300% of their year-end Authorized Control Level risk-based capital requirements as defined from time to time by the NAIC.

If our future policy benefit reserves established under GAAP are realized over the estimated remaining life of our run-off insurance obligations, we would expect the $14.5 billion of capital contributed to the run-off insurance operations over the 2018 to 2024 period to be considered statutory capital surplus at the end of the estimated remaining life with no additional charge to GAAP earnings. However, should the more conservative statutory assumptions be realized, we would be required to record the difference between GAAP assumptions and statutory assumptions as a charge to GAAP earnings in the future periods. See Other Items - New Accounting Standards and Notes 1 and 11 for further information.

NEW ACCOUNTING STANDARDS. The Financial Accounting Standards Board issued new guidance on accounting for long-duration insurance contracts that is effective for our interim and annual periods beginning January 1, 2023, with an election to adopt early, and restatement of prior periods presented. We intend to adopt the new guidance effective January 1, 2023 (with transition adjustments as of January 1, 2021), using the modified retrospective transition method where permitted. We are evaluating the effect of the new guidance on our consolidated financial statements and anticipate that its adoption will significantly change the accounting for measurements of our long-duration insurance liabilities. The new guidance requires cash flow assumptions used in the measurement of various insurance liabilities to be reviewed at least annually and updated if actual experience or other evidence indicates previous assumptions need to be revised with any required changes recorded in earnings. Under the current accounting guidance, the discount rate is based on expected investment yields, while under the new guidance the discount rate will be equivalent to the upper-medium grade (i.e., single A) fixed-income instrument yield reflecting the duration characteristics of the liability and is required to be updated in each reporting period with changes recorded in other comprehensive income. We expect that the single-A rate under the new guidance at the transition date will be lower than our current discount rate. In measuring the insurance liabilities under the new guidance, contracts shall not be grouped together from different issue years. These changes will result in the elimination of premium deficiency testing and shadow adjustments. While we continue to evaluate the effect of the new guidance on our ongoing financial reporting, we anticipate that its adoption will materially affect our financial statements and require changes to certain of our processes, systems, and controls. As the new guidance is only applicable to the measurements of our long-duration insurance liabilities under GAAP, it will not affect the accounting for our insurance reserves or the levels of capital and surplus under statutory accounting practices.

NON-GAAP FINANCIAL MEASURES. We believe that presenting non-GAAP financial measures provides management and investors useful measures to evaluate performance and trends of the total company and its businesses. This includes adjustments in recent periods to GAAP financial measures to increase period-to-period comparability following actions to strengthen our overall financial position and how we manage our business. In addition, management recognizes that certain non-GAAP terms may be interpreted differently by other companies under different circumstances. In various sections of this report we have made reference to the following non-GAAP financial measures in describing our (1) revenues, specifically organic revenues by segment; organic revenues, and equipment and services organic revenues (2) profit, specifically organic profit and profit margin by segment; Adjusted profit and profit margin (excluding certain items); Adjusted organic profit and profit margin; Adjusted earnings (loss); and Adjusted earnings (loss) per share (EPS). The reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures follow.

ORGANIC REVENUES, PROFIT (LOSS) AND PROFIT MARGIN BY SEGMENT (NON-GAAP)

	Revenues			Segment profit (loss)			Profit margin		
	2021	2020	V%	2021	2020	V%	2021	2020	V pts
Aviation (GAAP)	$21,310	$22,042	(3)%	$ 2,882	$ 1,229	F	13.5 %	5.6 %	7.9pts
Less: acquisitions	—	—		—	—				
Less: business dispositions	—	48		—	(48)				
Less: foreign currency effect	21	—		(18)	—				
Aviation organic (Non-GAAP)	$21,289	$21,994	(3)%	$ 2,900	$ 1,277	F	13.6 %	5.8 %	7.8pts
Healthcare (GAAP)	$17,725	$18,009	(2)%	$ 2,966	$ 3,060	(3)%	16.7 %	17.0 %	(0.3)pts
Less: acquisitions	19	(96)		(29)	(43)				
Less: business dispositions	—	911		—	373				
Less: foreign currency effect	308	—		114	—				
Healthcare organic (Non-GAAP)	$17,398	$17,194	1 %	$ 2,881	$ 2,729	6 %	16.6 %	15.9 %	0.7pts
Renewable Energy (GAAP)	$15,697	$15,666	— %	$ (795)	$ (715)	(11)%	(5.1)%	(4.6)%	(0.5)pts
Less: acquisitions	—	—		—	—				
Less: business dispositions	—	33		—	(4)				
Less: foreign currency effect	414	—		(39)	—				
Renewable Energy organic (Non-GAAP)	$15,283	$15,633	(2)%	$ (756)	$ (711)	(6)%	(4.9)%	(4.5)%	(0.4)pts
Power (GAAP)	$16,903	$17,589	(4)%	$ 726	$ 274	F	4.3 %	1.6 %	2.7pts
Less: acquisitions	—	—		—	—				
Less: business dispositions	26	220		(2)	7				
Less: foreign currency effect	203	—		(59)	—				
Power organic (Non-GAAP)	$16,674	$17,370	(4)%	$ 788	$ 267	F	4.7 %	1.5 %	3.2pts

We believe these measures provide management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, as these activities can obscure underlying trends.

ORGANIC REVENUES (NON-GAAP)	2021	2020	V%	2020	2019	V%
Total revenues (GAAP)	$ 74,196	$ 75,833	(2)%	$ 75,833	$ 90,221	(16)%
Less: Insurance revenues	3,106	2,865		2,865	2,802	
Adjusted revenues (Non-GAAP)	$ 71,090	$ 72,969	(3)%	$ 72,969	$ 87,419	(17)%
Less: acquisitions	19	(67)		138	37	
Less: business dispositions(a)	(33)	1,447		58	3,631	
Less: foreign currency effect(b)	979	—		(282)	—	
Organic revenues (Non-GAAP)	$ 70,125	$ 71,589	(2)%	$ 73,055	$ 83,751	(13)%

(a) Dispositions impact in 2020 primarily related to our BioPharma business, with revenues of $830 million. Dispositions impact in 2019 primarily related to our BioPharma business, with revenues of $2,524 million.

(b) Foreign currency impact in 2021 was primarily driven by U.S. Dollar appreciation against the euro, Chinese renminbi, and British pound. Foreign currency impact in 2020 was primarily driven by U.S. Dollar appreciation against the Brazilian real, euro, and Indian rupee.

EQUIPMENT AND SERVICES ORGANIC REVENUES (NON-GAAP)	2021	2020	V%	2020	2019	V%
Total equipment revenues (GAAP)	$ 34,200	$ 37,584	(9)%	$ 37,584	$ 42,811	(12)%
Less: acquisitions	—	—		13	14	
Less: business dispositions	(32)	1,037		19	3,193	
Less: foreign currency effect	664	—		(179)	—	
Equipment organic revenues (Non-GAAP)	$ 33,567	$ 36,547	(8)%	$ 37,730	$ 39,604	(5)%
Total services revenues (GAAP)	$ 36,890	$ 35,385	4 %	$ 35,385	$ 44,608	(21)%
Less: acquisitions	19	(67)		125	23	
Less: business dispositions	(1)	410		39	438	
Less: foreign currency effect	315	—		(102)	—	
Services organic revenues (Non-GAAP)	$ 36,558	$ 35,042	4 %	$ 35,324	$ 44,147	(20)%

We believe this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, as these activities can obscure underlying trends.

ADJUSTED PROFIT AND PROFIT MARGIN (EXCLUDING CERTAIN ITEMS) (NON-GAAP)	2021	2020	2019
Total revenues (GAAP)	$74,196	$75,833	$90,221
Less: Insurance revenues	3,106	2,865	2,802
Adjusted revenues (Non-GAAP)	71,090	72,969	87,419
Total costs and expenses (GAAP)	80,702	81,259	92,754
Less: Insurance cost and expenses	2,540	2,668	3,622
Less: interest and other financial charges	1,813	2,018	2,826
Less: debt extinguishment costs	6,524	301	256
Less: non-operating benefit costs	1,782	2,430	2,839
Less: restructuring & other(a)	455	693	922
Less: Steam asset impairment	—	363	—
Less: SEC settlement charge	—	200	—
Less: goodwill impairments	—	728	1,486
Add: noncontrolling interests	(71)	(158)	7
Add: EFS benefit from taxes	(162)	(154)	(166)
Adjusted costs (Non-GAAP)	67,354	71,546	80,643
Other income (GAAP)	2,823	11,396	2,479
Less: gains (losses) on equity securities(a)	1,921	(1,891)	933
Less: restructuring & other(a)	75	13	36
Less: gains (losses) on purchases and sales of business interests(a)	(44)	12,452	(135)
Adjusted other income (Non-GAAP)	871	823	1,646
Profit (loss) (GAAP)	$ (3,683)	$ 5,970	$ (54)
Profit (loss) margin (GAAP)	(5.0)%	7.9 %	(0.1)%
Adjusted profit (loss) (Non-GAAP)	$ 4,608	$ 2,246	$ 8,422
Adjusted profit (loss) margin (Non-GAAP)	6.5 %	3.1 %	9.6 %

(a) See the Corporate section for further information.

We believe that adjusting profit to exclude the effects of items that are not closely associated with ongoing operations provides management and investors with a meaningful measure that increases the period-to-period comparability. Gains (losses) and restructuring and other items are impacted by the timing and magnitude of gains associated with dispositions, and the timing and magnitude of costs associated with restructuring and other activities.

ADJUSTED ORGANIC PROFIT (NON-GAAP)	2021	2020	V%	2020	2019	V%
Adjusted profit (loss) (Non-GAAP)	$ 4,608	$ 2,246	F	$ 2,246	$ 8,422	(73) %
Less: acquisitions	(29)	15		(4)	6	
Less: business dispositions	(2)	367		(3)	1,064	
Less: foreign currency effect	28	—		16	—	
Adjusted organic profit (loss) (Non-GAAP)	$ 4,611	$ 1,863	F	$ 2,236	$ 7,352	(70) %
Adjusted profit (loss) margin (Non-GAAP)	6.5 %	3.1 %	3.4 pts	3.1 %	9.6 %	(6.5)pts
Adjusted organic profit (loss) margin (Non-GAAP)	6.6 %	2.6 %	4.0 pts	3.1 %	8.8 %	(5.7)pts

We believe this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, as these activities can obscure underlying trends.

ADJUSTED EARNINGS (LOSS) (NON-GAAP)	2021		2020		2019	
(Per-share amounts in dollars)	Earnings	EPS	Earnings	EPS	Earnings	EPS
Earnings (loss) from continuing operations (GAAP) (Note 17)	$ (3,571)	$ (3.25)	$ 5,975	$ 5.46	$ (1,074)	$ (0.98)
Insurance earnings	570	0.52	193	0.18	(818)	(0.75)
Tax effect on Insurance earnings	(126)	(0.11)	(50)	(0.05)	155	0.14
Less: Insurance earnings	444	0.40	143	0.13	(663)	(0.61)
Earnings (loss) excluding Insurance (Non-GAAP)	(4,015)	(3.66)	5,832	5.32	(411)	(0.38)
Non-operating benefits costs (GAAP)	(1,782)	(1.62)	(2,430)	(2.22)	(2,839)	(2.60)
Tax effect on non-operating benefit costs	374	0.34	510	0.47	596	0.55
Less: non-operating benefit costs	(1,408)	(1.28)	(1,920)	(1.75)	(2,243)	(2.06)
Gains (losses) on purchases and sales of business interests(a)	(44)	(0.04)	12,452	11.37	(135)	(0.12)
Tax effect on gains (losses) on purchases and sales of business interests	6	0.01	(1,257)	(1.15)	(26)	(0.02)
Less: gains (losses) on purchases and sales of business interests	(37)	(0.03)	11,195	10.22	(162)	(0.15)
Gains (losses) on equity securities(a)	1,921	1.75	(1,891)	(1.73)	933	0.86
Tax effect on gains (losses) on equity securities(b)	128	0.12	637	0.58	(53)	(0.05)
Less: gains (losses) on equity securities	2,049	1.87	(1,255)	(1.15)	880	0.81
Restructuring & other(a)	(380)	(0.35)	(680)	(0.62)	(886)	(0.81)
Tax effect on restructuring & other	35	0.03	151	0.14	187	0.17
Less: restructuring & other	(346)	(0.31)	(529)	(0.48)	(699)	(0.64)
Debt extinguishment costs	(6,524)	(5.94)	(301)	(0.27)	(256)	(0.23)
Tax effect on debt extinguishment costs(c)	430	0.39	57	0.05	55	0.05
Less: debt extinguishment costs	(6,094)	(5.55)	(244)	(0.22)	(201)	(0.18)
Steam asset impairments (pre-tax)(a)	—	—	(363)	(0.33)	—	—
Tax effect on Steam asset impairments	—	—	37	0.03	—	—
Less: Steam asset impairments	—	—	(326)	(0.30)	—	—
Goodwill impairments(a)	—	—	(728)	(0.66)	(1,486)	(1.36)
Tax effect on goodwill impairments	—	—	(23)	(0.02)	(55)	(0.05)
Less: goodwill impairments	—	—	(751)	(0.69)	(1,541)	(1.41)
BioPharma deal expense	—	—	—	—	—	—
Tax effect on BioPharma deal expense	—	—	—	—	(647)	(0.59)
Less: BioPharma deal expense	—	—	—	—	(647)	(0.59)
Less: Accretion of redeemable noncontrolling interest	(9)	(0.01)	(151)	(0.14)	—	—
Less: SEC settlement charge	—	—	(200)	(0.18)	—	—
Less: U.S. tax reform enactment adjustment	8	0.01	(49)	(0.05)	(2)	—
Less: Tax benefit related to BioPharma sale	—	—	143	0.13	—	—
Less: Tax loss related to GECAS transaction	(54)	(0.05)	—	—	—	—
Adjusted earnings (loss) (Non-GAAP)	$ 1,876	$ 1.71	$ (81)	$ (0.07)	$ 4,204	$ 3.86

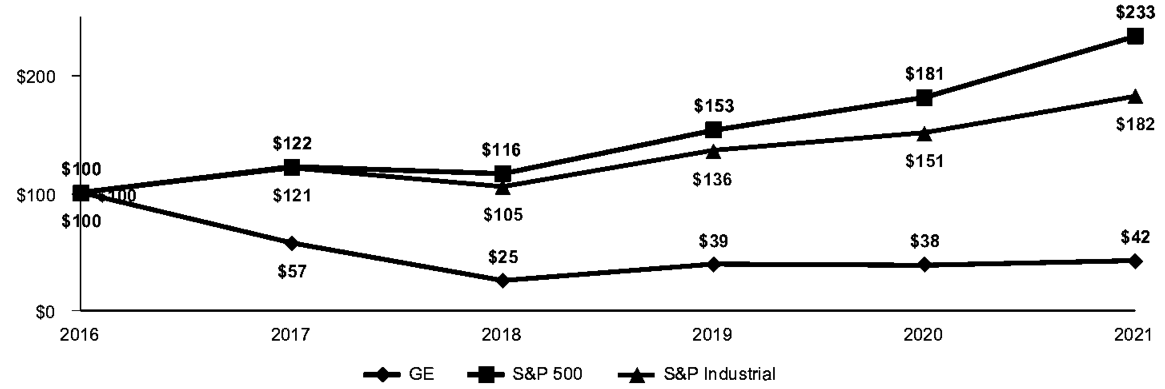
(a) See the Corporate section for further information.
(b) Includes tax benefits available to offset the tax on gains in equity securities.
(c) Includes related tax valuation allowances.

Earnings-per-share amounts are computed independently. As a result, the sum of per-share amounts may not equal the total.
The service cost for our pension and other benefit plans are included in adjusted earnings*, which represents the ongoing cost of providing pension benefits to our employees. The components of non-operating benefit costs are mainly driven by capital allocation decisions and market performance. We believe the retained costs in Adjusted earnings* and Adjusted EPS* provides management and investors a useful measure to evaluate the performance of the total company and increases period-to-period comparability. We also use Adjusted EPS* as a performance metric at the company level for our annual executive incentive plan for 2021.

*Non-GAAP Financial Measure

OTHER FINANCIAL DATA.

FIVE-YEAR PERFORMANCE GRAPH



The annual changes for the five-year period shown in the above graph are based on the assumption that $100 had been invested in General Electric common stock, the Standard & Poor's 500 Stock Index (S&P 500) and the Standard & Poor's 500 Industrials Stock Index (S&P Industrial) on December 31, 2016, and that all quarterly dividends were reinvested. The cumulative dollar returns shown on the graph represent the value that such investments would have had on December 31 for each year indicated. In 2020, we began measuring GE's relative performance against the S&P Industrial index for performance share unit awards.

With respect to "Market Information," in the United States, General Electric common stock is listed on the New York Stock Exchange under the ticker symbol "GE" (its principal market). General Electric common stock is also listed on the London Stock Exchange, Euronext Paris, the SIX Swiss Exchange and the Frankfurt Stock Exchange.

As of January 31, 2022, there were approximately 294,000 shareholder accounts of record.

PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS. GE repurchased 109,000 shares of common stock at an average price of $95.94, in connection with the settlement of hedging instruments related to the Company's deferred incentive compensation program during the three months ended December 31, 2021.

RISK FACTORS. The following discussion of the material factors, events and uncertainties that may make an investment in the Company speculative or risky contains "forward-looking statements," as discussed in the Forward-Looking Statements section. These risk factors may be important to understanding any statement in this Form 10-K report or elsewhere. The risks described below should not be considered a complete list of potential risks that we face, and additional risks not currently known to us or that we currently consider immaterial may also negatively impact us. The following information should be read in conjunction with the MD&A section and the consolidated financial statements and related notes. The risks we describe in this Form 10-K report or in our other SEC filings could, in ways we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, reputation, financial position, results of operations, cash flows and stock price, and they could cause our future results to be materially different than we presently anticipate.

STRATEGIC RISKS. Strategic risk relates to the Company's future business plans and strategies, including the risks associated with: our strategic plan to separate into three public companies; the global macro-environment; the global energy transition; competitive threats, the demand for our products and services and the success of our investments in technology and innovation; our portfolio of businesses and capital allocation decisions; dispositions, acquisitions, joint ventures and restructuring activity; intellectual property; and other risks.

Strategic plan - We may encounter challenges to executing our plan to separate GE into three public companies, or to completing the plan within the timeframes we anticipate, and we may not realize some or all of the expected benefits of the separations. In November 2021, we announced our plan to form three independent public companies from our (i) Aviation business, (ii) Healthcare business and (iii) combined Renewable Energy, Power and Digital businesses, in order to better position those businesses to deliver long-term growth and create value for customers, investors, and employees. The planned business separations are expected to be effected through spin-offs by GE that are intended to be tax-free for the Company's shareholders for U.S. federal income tax purposes. These separation transactions will be subject to the satisfaction of a number of customary conditions, including, among others, final approvals by GE's Board of Directors, receipt of tax rulings in certain jurisdictions and/or tax opinions from external counsel, the filing with the SEC and effectiveness of Form 10 registration statements, and satisfactory completion of financing. The failure to satisfy all of the required conditions could delay the completion of the separation transactions for a significant period of time or prevent them from occurring at all. Additionally, the separation transactions are complex in nature, and unanticipated developments or changes may affect our ability to complete one or both of the separation transactions as currently expected, within the anticipated timeframes or at all. These or other developments could cause us not to realize some or all of the expected benefits, or to realize them on a different timeline than expected. If we are unable to complete any of the separations, we will have incurred costs without realizing the benefits of such transaction. In addition, the terms and conditions of the required regulatory authorizations and consents that are granted, if any, may impose requirements, limitations or costs, or place restrictions on the conduct of the independent companies. And, although we intend for the separation transactions to be tax-free to the Company's shareholders for U.S. federal income tax purposes, we expect to incur non-U.S. cash taxes on the preparatory restructuring and may also incur non-cash tax expense including potential impairments of deferred tax assets. Moreover, there can be no assurance that the separation transactions will qualify as tax-free for U.S. purposes. If the separation transactions were ultimately determined to be taxable, we would incur a significant tax liability, while the distributions to the Company's shareholders would become taxable and the new independent companies might incur income tax liabilities as well. Furthermore, if the separation transactions are completed, we cannot be assured that each separate company will be successful.

Whether or not the separation transactions are completed, our businesses may face material challenges in connection with these transactions, including, without limitation the diversion of management's attention from ongoing business concerns and impact on the businesses of the Company; appropriately allocating assets and liabilities among the three companies, particularly given the staggered nature of the separation transactions; maintaining employee morale and retaining key management and other employees; retaining existing or attracting new business and operational relationships, including with customers, suppliers, employees and other counterparties; assigning customer contracts and intellectual property to each of the businesses; and potential negative reactions from the financial markets. In particular, GE for the past several years has been undertaking various restructuring and business transformation actions (including workforce reductions, global facility consolidations and other cost reduction initiatives) that have entailed changes across our organizational structure, senior leadership, culture, functional alignment, outsourcing and other areas. This poses risks in the form of personnel capacity constraints and institutional knowledge loss that could lead to missed performance or financial targets, loss of key personnel and harm to our reputation, and these risks are heightened with the additional interdependent actions that will be needed to complete the planned separation transactions. Moreover, completion of the separation transactions will result in the three independent public companies that are smaller, less diversified companies with more limited businesses concentrated in their respective industries than GE is today. As a result, each company may be more vulnerable to changing market conditions, which could have a material adverse effect on its business, financial condition and results of operations. In addition, the diversification of revenues, costs, and cash flows will diminish, such that each company's results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and its ability to fund capital expenditures and investments, pay dividends and meet debt obligations and other liabilities may be diminished. Each of the separate companies will also incur ongoing costs, including costs of operating as independent companies, that the separated businesses will no longer be able to share. Additionally, we cannot predict whether the market value of our common stock and the common stock of each of the new independent companies after the separation transactions will be, in the aggregate, less than, equal to or greater than the market value of our common stock prior to the separation transactions. If the separation transactions are completed, investors holding our common stock may sell the common stock of any of the new independent companies that do not match their investment strategies, which may cause a decline in the market price of such common stock.

COVID-19 - The global COVID-19 pandemic has had and may continue to have a material adverse impact on our operations and financial performance, as well as on the operations and financial performance of many of the customers and suppliers in industries that we serve. Our operations and financial performance since early 2020 have been negatively impacted by the COVID-19 pandemic that has caused, and may continue to cause, a slowdown of economic activity (including the decrease in demand for a broad variety of goods and services), disruptions in global supply chains and significant volatility and disruption of financial markets. As the COVID-19 pandemic continues to affect economic activity globally or in various regions, the extent to which this will adversely impact our future operations and financial performance is uncertain. Across all of our businesses, we have experienced and expect to continue to experience operational challenges from the need to protect employee health and safety, site shutdowns, workplace disruptions and restrictions on the movement of people, raw materials and goods, both at our own facilities and at those of our customers and suppliers, global supply chain disruptions and price inflation. We also have experienced, and may continue experiencing, lower demand and volume for products and services, customer requests for potential payment deferrals or other contract modifications, supply chain under-liquidation, delays of deliveries and the achievement of other billing milestones, delays or cancellations of new projects and related down payments and other factors related directly and indirectly to the COVID-19 pandemic's effects on our customers that adversely impact our businesses. In particular, interruptions of regional and international air travel from COVID-19 are having a material adverse effect on our airline and airframer customers and their demand for our services and products. While our Aviation business is showing continued signs of recovery, the recently renewed intensity of the COVID-19 pandemic in many parts of the world could stall the recovery achieved to date and lead to future requests for payment deferrals, contract modifications, and similar actions across the aviation sector, which may lead to additional charges, impairments and other adverse financial impacts, or to customer disputes.

The ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control, including, but not limited, to: the severity and duration of the pandemic, including the impact of coronavirus variants and resurgences; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic (including restrictions on travel and transport and workforce pressures); the impact of the pandemic and actions taken in response on global and regional economies, travel, and economic activity; the development, availability and public acceptance of effective treatments or vaccines; our employees' compliance with vaccine mandates that may apply in various jurisdictions; the availability of federal, state, local or non-U.S. funding programs; general economic uncertainty in key global markets and financial market volatility; global economic conditions and levels of economic growth; and the pace and extent of recovery when the COVID-19 pandemic subsides. A number of accounting estimates that we make have been and will continue to be affected by the COVID-19 pandemic and uncertainties related to these and other factors, and our accounting estimates and assumptions may change over time in response to COVID-19 (see Note 1). As the COVID-19 pandemic continues to adversely affect our operating and financial results, it may also have the effect of heightening many of the other risk factors described below.

Global macro-environment - Our growth is subject to global economic, political and geopolitical risks. We operate in virtually every part of the world, serve customers in over 175 countries and received 56% of our revenues for 2021 from outside the United States. Our operations and the execution of our business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events that could include war, a major terrorist attack, natural disasters or actual or threatened public health emergencies (such as COVID-19). They are also affected by local and regional economic environments and policies in the U.S. and other markets that we serve, including interest rates, monetary policy, inflation, economic growth, recession, commodity prices, currency volatility, currency controls or other limitations on the ability to expatriate cash, sovereign debt levels and actual or anticipated defaults on sovereign debt. For example, changes in local economic conditions or outlooks, such as lower rates of investment or economic growth in China, Europe or other key markets, affect the demand for or profitability of our products and services outside the U.S., and the impact on the Company could be significant given the extent of our activities outside the United States. Political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies and resulting tariffs, export controls or other trade barriers, or changes to tax or other laws and policies, have been and may continue to be disruptive and costly to our businesses, and these can interfere with our global operating model, supply chain, production costs, customer relationships and competitive position. Further escalation of specific trade tensions, including intensified decoupling between the U.S. and China, or in global trade conflict more broadly could be harmful to global economic growth or to our business in or with China or other countries, and related decreases in confidence or investment activity in the global markets would adversely affect our business performance. We also do business in many emerging market jurisdictions where economic, political and legal risks are heightened.

Energy transition – The strategic priorities and financial performance of some of our businesses are subject to market and other dynamics related to decarbonization, which can pose risks in addition to opportunities for those businesses. Given the nature of our businesses and the industries we serve, we must anticipate and respond to market, technological, regulatory and other changes driven by broader trends related to decarbonization efforts in response to climate change. These changes present both risks and opportunities for our businesses, many of which provide products and services to customers in sectors like power generation and commercial aviation that have historically been carbon intensive and will remain important to efforts globally to lower greenhouse gas emissions for decades to come. For example, the significant decreases in recent years in the levelized cost of energy for renewable sources of power generation (such as wind and solar), along with ongoing changes in government, investor, customer and consumer policies, commitments, preferences and considerations related to climate change, in some cases have adversely affected, and are expected to continue to affect, the demand for and the competitiveness of products and services related to fossil fuel-based power generation, including sales of new gas turbines and the utilization and servicing needs for existing gas power plants. Continued shifts toward greater penetration by renewables in both new capacity additions and the proportionate share of power generation, particularly depending on the pace and timeframe for such shifts across different markets globally, could have a material adverse effect on the performance of our Power business and our consolidated results. And while the anticipated market growth and power generation share for renewable energy over time is favorable for our wind businesses, there too we face uncertainties related to the future anticipated levels and timeframes of government subsidies and credits (such as the U.S. wind Production Tax Credit), significant price competition among wind equipment manufacturers, dynamics between onshore and offshore wind power, potential further consolidation in the wind industry, competition with other sources of renewable energy such as solar power-based electricity generation and the pace at which power grids are modernized to maintain reliability with higher levels of renewables penetration.

In addition, the achievement of deep decarbonization goals for the power sector over the coming decades is likely to depend in part on technologies that are not yet deployed or widely adopted today but that may become more important over time (such as grid-scale batteries or other storage solutions, hydrogen-based power generation, carbon capture and sequestration technologies or small modular or other advanced nuclear power). This is likely to require significant investments in power grids and other infrastructure, research and development and new technology and products, both by GE and third parties. The process of developing new high-technology products and enhancing existing products to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful. Similar dynamics exist in the aviation sector, where decarbonization over time will require a combination of continued technological innovation in the fuel efficiency of engines, expanding the use of sustainable aviation fuels in next generation engines and the development of electric flight and hydrogen-based aviation technologies. A failure to invest properly in these technological developments, or to adequately position our businesses to benefit from the growth in adoption of new technologies, could adversely affect our competitive position, business, results of operations, cash flows and financial condition. In addition, there are increasing scrutiny and expectations from many customers, governments, regulators, investors, banks, project financers and other stakeholders regarding the roles that the private sector and individual companies play in decarbonization, and this can pose reputational or other risks for companies like GE that serve carbon intensive industries or relative to progress that we make over time in reducing emissions from our operations or products. Trends related to the global energy transition and decarbonization, including the relative competitiveness of different types of product and service offerings within and across our energy businesses, as well as for GE Aviation, will continue to be impacted in ways that are uncertain by factors such as the pace of technological developments and related cost considerations, the levels of economic growth in different markets around the world and the adoption of climate change-related policies (such as carbon taxes, cap and trade regimes, increased efficiency standards, greenhouse gas emission reduction targets or commitments, incentives or mandates for particular types of energy or policies that impact the availability of financing for certain types of projects) at the national and sub-national levels or by customers, investors or other private actors.

Competitive environment - We are dependent on the maintenance of existing product lines and service relationships, market acceptance of new product and service introductions, and technology and innovation leadership for revenue and earnings growth. The markets in which we operate are highly competitive in terms of pricing, product and service quality, product development and introduction time, customer service, financing terms, the ability to respond to shifts in market demand and the ability to attract and retain skilled talent. Our long-term operating results and competitive position also depend substantially upon our ability to continually develop, introduce, and market new and innovative technology, products, services and platforms, to develop digital solutions for our own operations and our customers, to modify existing products and services, to customize products and services, to maintain long-term customer relationships and to increase our productivity over time as we perform on long-term service agreements. A failure to appropriately plan for these dynamics may adversely affect our delivery of products, services and outcomes in line with our projected financial performance or cost estimates, and ultimately may result in excess costs, build-up of inventory that becomes obsolete, lower profit margins and an erosion of our competitive position. Our businesses are subject to technological change and advances, such as growth in industrial automation and increased digitization of the operations, infrastructure and solutions that customers demand across all the industries we serve. The introduction of innovative and disruptive technologies in the markets in which we operate also poses risks in the form of new competitors (including new entrants from outside our traditional industries, such as competitors from digital technology companies), market consolidation, substitutions of existing products, services or solutions, niche players, new business models and competitors that are faster to market with new or more cost-effective products or services. Existing and new competitors are frequently offering services for our installed base, and this can erode the revenues and profitability of our businesses if we fail to maintain or enter into new services relationships with customers that purchase our equipment and products. In addition, the research and development cycle involved in bringing products in our businesses to market is often lengthy, it is inherently difficult to predict the economic conditions and competitive dynamics that will exist when any new product is complete, and our investments, to the extent they result in bringing a product to market, may generate weaker returns than we anticipated at the outset. Our capacity to invest in research and development efforts to pursue advancement in a wide range of technologies, products and services also depends on the financial resources that we have available for such investment relative to other capital allocation priorities. Under-investment in research and development, or investment in technologies that prove to be less competitive in the future (at the expense of alternative investment opportunities not pursued), could lead to loss of sales of our products and services in the future, particularly in our long-cycle businesses that have longer product development cycles. The amounts that we do invest in research and development efforts may not lead to the development of new technologies or products on a timely basis or meet the needs of our customers as fully as competitive offerings.

Business portfolio - Our success depends on achieving our strategic and financial objectives, including through acquisitions, integrations, dispositions and joint ventures. With respect to acquisitions and business integrations, such as our Healthcare business's recent acquisition of BK Medical, or with joint ventures and business integrations, we may not achieve expected returns and other benefits on a timely basis or at all as a result of changes in strategy, integration challenges or other factors. Over the past several years we have also been pursuing a variety of dispositions, including the ongoing monetization of our remaining equity ownership position in Baker Hughes and our plans to monetize our equity ownership position in AerCap. Declines in the values of equity interests (such as our interests in Baker Hughes and AerCap) or other assets that we sell can diminish the cash proceeds that we realize. We may dispose of businesses or assets at a price or on terms that are less favorable than we had anticipated, or with purchase price adjustments or the exclusion of assets or liabilities that must be divested, managed or run off separately. Dispositions or other business separations also often involve continued financial involvement in the divested business, such as through continuing equity ownership, retained assets or liabilities, transition services agreements, commercial agreements, guarantees, indemnities or other current or contingent financial obligations or liabilities. Under these arrangements, performance by the divested businesses or other conditions outside our control could materially affect our future financial results. Executing on all types of portfolio transactions can divert senior management time and resources from other pursuits. We also participate in a number of joint ventures with other companies or government enterprises in various markets around the world, including joint ventures where we have a lesser degree of control over the business operations, which expose us to additional operational, financial, reputational, legal or compliance risks.

Intellectual property - Our intellectual property portfolio may not prevent competitors from independently developing products and services similar to or duplicative to ours, and the value of our intellectual property may be negatively impacted by external dependencies. Our patents and other intellectual property may not prevent competitors from independently developing or selling products and services similar to or duplicative of ours, and there can be no assurance that the resources invested by us to protect our intellectual property will be sufficient or that our intellectual property portfolio will adequately deter misappropriation or improper use of our technology. Trademark licenses of the GE brand in connection with dispositions may negatively impact the overall value of the brand in the future. We also face competition in some countries where we have not invested in an intellectual property portfolio. If we are not able to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected. We also face attempts, both internally from insider threats and externally from cyber-attacks, to gain unauthorized access to our IT systems or products for the purpose of improperly acquiring our trade secrets or confidential business information. In addition, we have observed an increase in the use of social engineering tactics by bad actors attempting to obtain confidential business information or credentials to access systems with our intellectual property. The theft or unauthorized use or publication of our trade secrets and other confidential business information as a result of such incidents could adversely affect our competitive position and the value of our investment in research and development. In addition, we are subject to the enforcement of patents or other intellectual property by third parties, including aggressive and opportunistic enforcement claims by non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. If GE is found to infringe any third-party rights, we could be required to pay substantial damages or we could be enjoined from offering some of our products and services. The value of, or our ability to use, our intellectual property may also be negatively impacted by dependencies on third parties, such as our ability to obtain or renew on reasonable terms licenses that we need in the future, or our ability to secure or retain ownership or rights to use data in certain software analytics or services offerings.

OPERATIONAL RISKS. Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of our businesses. It includes risks related to product and service lifecycle and execution; product safety and performance; information management and data protection and security, including cybersecurity; and supply chain and business disruption.

Operational execution - Operational challenges could have a material adverse effect on our business, reputation, financial position, results of operations and cash flows. The Company's financial results depend on the successful execution of our businesses' operating plans across all steps of the product and service lifecycle. We continue working to improve the operations and execution of our businesses and our ability to make the desired improvements will be a significant factor in our overall financial performance. We also face operational risks in connection with launching or ramping new product platforms, such as the Haliade-X offshore wind turbine or the Cypress onshore wind turbine at Renewable Energy, or the LEAP engine at Aviation. With significant new product platforms and technologies, our businesses seek to reduce the costs of these products over time with experience, and risks related to our supply chain, product quality, timely delivery or other aspects of operational execution can adversely affect our profit margins or free cash flow. Operational failures at any of our businesses that result in quality problems or potential product, environmental, health or safety risks, could have a material adverse effect on our business, reputation, financial position and results of operations. In addition, a portion of our business, particularly within our Power and Renewable Energy businesses, involves large projects where we take on, or are members of a consortium responsible for, the full scope of engineering, procurement, construction or other services. These types of projects often pose unique risks related to their location, scale, complexity, duration and pricing or payment structure. Performance issues or schedule delays can arise due to inadequate technical expertise, unanticipated project modifications, developments at project sites, environmental, health and safety issues, execution by or coordination with suppliers, subcontractors or consortium partners, financial difficulties of our customers or significant partners or compliance with government regulations, and these can lead to cost overruns, contractual penalties, liquidated damages and other adverse consequences. Where GE is a member of a consortium, we are typically subject to claims based on joint and several liability, and claims can extend to aspects of the project or costs that are not directly related or limited to GE's scope of work or over which GE does not have control. Operational, quality or other issues at large projects, or across our projects portfolio more broadly, can adversely affect GE's business, reputation or results of operations.

Product safety - Our products and services are highly sophisticated and specialized, and a major failure or similar event affecting our products or third-party products with which our products are integrated can adversely affect our business, reputation, financial position, results of operations and cash flows. We produce highly sophisticated products and provide specialized services for both our own and third-party products that incorporate or use complex or leading-edge technology, including both hardware and software. Many of our products and services involve complex industrial machinery or infrastructure projects, such as commercial jet engines, gas turbines, onshore and offshore wind turbines or nuclear power generation, and accordingly the impact of a catastrophic product failure or similar event could be significant. In particular, actual or perceived design or production issues related to new product introductions or relatively new product lines can result in significant reputational harm to our businesses, in addition to direct warranty, maintenance and other costs that may arise. A significant product issue resulting in injuries or death, widespread outages, a fleet grounding or similar systemic consequences could have a material adverse effect on our business, reputation, financial position and results of operations. In some circumstances, we have and in the future we may continue to incur increased costs, delayed payments or lost equipment or services revenue in connection with a significant issue with a third party's product with which our products are integrated, or if parts or other components that we incorporate in our products have defects or other quality issues. There can be no assurance that the operational processes around product design, manufacture, performance and servicing that we or our customers or other third parties have designed to meet rigorous quality standards will be sufficient to prevent us or our customers or other third parties from experiencing operational process or product failures and other problems, including through manufacturing or design defects, process or other failures of contractors or third-party suppliers, cyber-attacks or other intentional acts, software vulnerabilities or malicious software, that could result in potential product, safety, quality, regulatory or environmental risks.

Cybersecurity - Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted computer crime pose a risk to our systems, networks, products, solutions, services and data. Increased global cybersecurity vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber-related attacks such as ransomware, as well as cybersecurity failures resulting from human error and technological errors, pose a risk to the security of GE's and its customers', partners', suppliers' and third-party service providers' infrastructure, products, systems and networks and the confidentiality, availability and integrity of GE's and its customers' data. As the perpetrators of such attacks become more capable (including sophisticated state or state-affiliated actors), and as critical infrastructure is increasingly becoming digitized, the risks in this area continue to grow. A significant cyber-related attack in one of our industries, even if such an attack does not involve GE products, services or systems, could pose broader disruptions and adversely affect our business. We have also observed an increase in third-party breaches and ransomware attacks at suppliers, service providers and software providers, and our efforts to mitigate adverse effects on GE if this trend continues may be less successful in the future. The increasing degree of interconnectedness between GE and its partners, suppliers and customers also poses a risk to the security of GE's network as well as the larger ecosystem in which GE operates. There can be no assurance that our efforts to mitigate cybersecurity risks by employing a number of measures, including employee training, monitoring and testing, performing security reviews and requiring business partners with connections to the GE network to appropriately secure their information technology systems, and maintenance of protective systems and contingency plans, will be sufficient to prevent, detect and limit the impact of cyber-related attacks, and we remain vulnerable to known or unknown threats. In addition to existing risks, the adoption of new technologies in the future may also increase our exposure to cybersecurity breaches and failures. While we have developed secure development lifecycle design practices to secure our software designs and connected products, an unknown vulnerability or compromise could potentially impact the security of GE's software or connected products and lead to the loss of GE intellectual property, misappropriation of sensitive, confidential or personal data, safety risks or unavailability of equipment. We also have access to sensitive, confidential or personal data or information in certain of our businesses that is subject to privacy and security laws, regulations or customer-imposed controls. Despite our use of reasonable and appropriate controls to protect our systems and sensitive, confidential or personal data or information, we have vulnerability to security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees) that could potentially lead to material compromising of sensitive, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of or denial of access to information, defective products, production downtimes and operational disruptions. Data privacy and protection laws are evolving, can vary significantly by country and present increasing compliance challenges, which increase our costs, affect our competitiveness and can expose us to substantial fines or other penalties. In addition, a significant cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation, increased digital infrastructure or other costs that are not covered by insurance, litigation or regulatory action.

Supply chain - Significant raw material shortages, supplier capacity constraints, supplier or customer production disruptions, supplier quality and sourcing issues or price increases can increase our operating costs and adversely impact the competitive positions of our products. Our reliance on third-party suppliers, contract manufacturers and service providers, and commodity markets to secure raw materials, parts, components and sub-systems used in our products exposes us to volatility in the prices and availability of these materials, parts, components, systems and services. As our supply chains extend into many different countries and regions around the world, we are also subject to global economic and geopolitical dynamics and risks associated with exporting components manufactured in particular countries for incorporation into finished products completed in other countries. In connection with effects related to the COVID-19 pandemic, we are operating in a supply-constrained environment and are facing, and may continue to face, supply-chain shortages, inflationary pressures, logistics challenges and manufacturing disruptions that impact our revenues, profitability and timeliness in fulfilling customer orders. In our Healthcare business, for example, our fulfillment of customer orders and revenue in 2021 were adversely affected by industry-wide semiconductor, resin, parts and labor shortages; we anticipate these, and other supply chain pressures across our businesses, will continue to adversely affect our operations and financial performance for some period of time. In addition, some of our suppliers or their sub-suppliers are limited- or sole-source suppliers. We also have internal dependencies on certain key GE manufacturing or other facilities. Disruptions in deliveries, capacity constraints, production disruptions up- or down-stream, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disasters (including the effects of climate change such as sea level rise, drought, flooding, wildfires and more intense weather events), actual or threatened public health emergencies or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows. Quality, capability, compliance and sourcing issues experienced by third-party providers can also adversely affect our costs, margin rates and the quality and effectiveness of our products and services and result in liability and reputational harm; the harm to us could be significant if, for example, a quality issue at a supplier or with components that we integrate into our products results in a widespread quality issue across one of our product lines or our installed base of equipment. In addition, while we require our suppliers to implement and maintain reasonable and appropriate controls to protect information we provide to them, they may be the victim of a cyber-related attack that could lead to the compromise of the Company's intellectual property, personal data or other confidential information, or to production downtimes and operational disruptions that could have an adverse effect on our ability to meet our commitments to customers. An unknown security vulnerability or malicious software embedded in a supplier's product that is later integrated into a GE product could lead to a vulnerability in the security of GE's product or if used internally in the GE network environment to a compromise of the GE network, which could potentially lead to the loss of information or operational disruptions.

FINANCIAL RISKS. Financial risk relates to our ability to meet financial obligations and mitigate exposure to broad market risks, including funding and liquidity risks, such as risk related to our credit ratings and our availability and cost of funding; credit risk; and volatility in foreign currency exchange rates, interest rates and commodity prices. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off-balance sheet) as they arise, and could potentially impact our financial condition or overall safety and soundness. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations, and we face credit risk arising from both our industrial businesses and from our remaining financial services operations.

Borrowings - We may face risks related to our debt levels, particularly if we face severely adverse market conditions. We have significantly reduced our debt levels over the past several years through debt tenders and other liability management actions, and we expect to continue to do so with cash flows from operations, as well as proceeds from asset sales and dispositions, including our stakes in Baker Hughes and AerCap. If we are unable to generate cash flows in accordance with our plans, we may be required to adopt one or more alternatives such as increasing borrowing under credit lines, reducing or delaying investments or capital expenditures or other actions. In addition, we have significant pension and run-off insurance liabilities that are sensitive to numerous factors and assumptions that we use in our pension liability, GAAP insurance reserve and statutory insurance calculations. Our debt levels could put us at a competitive disadvantage compared to competitors with lower debt levels that may have greater financial flexibility to secure additional funding for their operations, pursue strategic acquisitions, finance long-term projects or take other actions. Significant debt levels could also pose risks in the event of recession or adverse industry-specific conditions. In addition, elevated debt may limit our ability to obtain new debt financing on favorable terms in the future, particularly if coupled with downgrades of our credit ratings or a deterioration of capital markets conditions more generally.

Liquidity - Failure to meet our cash flow targets, or additional credit downgrades, could adversely affect our liquidity, funding costs and related margins. We rely primarily on cash and cash equivalents, free cash flows from our operating businesses, cash generated from asset sales and dispositions, and short-term borrowing facilities, including revolving credit facilities, to fund our operations, maintain a contingency buffer of liquidity and meet our financial obligations and capital allocation priorities. Failure to meet our cash flow objectives could adversely affect our financial condition or our credit ratings. There can be no assurance that we will not face credit downgrades as a result of factors such as the performance of our businesses, the failure to make progress as planned on the separation transactions and continued progress in decreasing GE's leverage or changes in rating application or methodology. Future downgrades could further adversely affect our cost of funds and related margins, liquidity, competitive position and access to capital markets, and a significant downgrade could have an adverse commercial impact on our businesses. In addition, swap, forward and option contracts are executed under standard master agreements that typically contain mutual downgrade provisions that provide the ability of the counterparty to require termination if the credit ratings of the applicable GE entity were to fall below specified ratings levels agreed upon with the counterparty. For additional discussion about our current credit ratings and related considerations, refer to the Capital Resources and Liquidity - Credit Ratings and Conditions section within MD&A.

Financial services operations - We continue to have exposure to insurance, credit, legal and other risks in our financial services operations and, in the event of future adverse developments, may not be able to meet our business and financial objectives without further actions or additional capital contributions. To fund the statutory capital contributions that we expect to make to our insurance subsidiaries over the next several years, as well as to meet our debt maturities and other obligations, we expect to rely on liquidity from our operations. There is a risk that future adverse developments could cause liquidity or funding stress. For example, it is possible that future requirements for capital contributions to the insurance subsidiaries will be greater than currently estimated or could be accelerated by regulators. Our annual testing of insurance reserves is subject to a variety of assumptions, including assumptions about the discount rate (which is sensitive to changes in market interest rates), morbidity, mortality and future long-term care premium increases. Any future adverse changes to these assumptions (to the extent not offset by any favorable changes to these assumptions) could result in an increase to future policy benefit reserves and, potentially, to the amount of capital we are required to contribute to the insurance subsidiaries (as discussed in the Other Items - Insurance section within MD&A). We also anticipate that the new insurance accounting standard scheduled to be effective on January 1, 2023 (as discussed in the Other Items - New Accounting Standards section within MD&A) will materially affect our financial statements and require changes to certain of our processes, systems, and controls. In addition, we continue to evaluate strategic options to accelerate the further reduction in the size of our financial services operations. Some of these options could have a material financial charge or other adverse effects depending on the timing, negotiated terms and conditions of any ultimate arrangements. It is also possible that contingent liabilities and loss estimates from our financial services-related continuing or discontinued operations, such as those related to Bank BPH (see Note 22), will need to be recognized or increase in the future and will become payable. There can be no assurance that future liabilities, losses or impairments to the carrying value of assets within our financial services operations would not materially and adversely affect GE’s business, financial position, cash flows, results of operations or capacity to provide financing to support orders at the businesses.

Customers & counterparties – Global economic, industry-specific or other developments that weaken the soundness of significant customers, governments, financial institutions or other parties we deal with can adversely affect our business, results of operations and cash flows. The business and operating results of our businesses have been, and will continue to be, affected by worldwide economic conditions, including conditions in the air transportation, power generation, renewable energy, healthcare and other industries we serve. Existing or potential customers may delay or cancel plans to purchase our products and services, including large infrastructure projects, and may not be able to fulfill their obligations to us in a timely fashion or at all as a result of business deterioration, cash flow shortages or difficulty obtaining financing for particular projects or due to macroeconomic conditions, geopolitical disruptions, changes in law or other challenges affecting the strength of the global economy. The airline industry, for example, is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and international economies. Aviation industry activity is also particularly influenced by a small group of large original equipment manufacturers, as well as large airlines in various geographies, and our credit exposure to some of our largest aviation customers is significant. As described above, the current extended disruption of regional and international air travel from the COVID-19 pandemic has had and is expected to continue to have a material adverse effect on our airframer and airline customers. A potential future disruption in connection with a terrorist incident, cyberattack, actual or threatened public health emergency or recessionary economic environment that results in the loss of business and leisure traffic could also adversely affect these customers, their ability to fulfill their obligations to us in a timely fashion or at all, demand for our products and services and the viability of a customer’s business. Secular, cyclical or other pressures facing customers across our energy businesses, including in connection with decarbonization, industry consolidation and competition and shifts in the availability of financing for certain types of power projects or technologies (such as prohibitions on financing for fossil fuel-based projects or technologies), can also have a significant impact on the operating results and outlooks for our businesses operating in those industries. Our financial services operations also have exposure to many different industries and counterparties, including customers that are sovereign governments or located in emerging markets, and we transact with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, insurance companies and other institutional clients. Many of these transactions expose us to credit and other risks in the event of insolvency or other default of its counterparty or client. For example, a portion of our run-off insurance operations’ assets are held in trust accounts associated with reinsurance contracts. For UFLIC, such trust assets are currently held in trusts for the benefit of insurance company subsidiaries of Genworth, which during 2021 publicly stated any proceeds from its contingency plan will be used to repay parent company debt and not bolster the capital position of its insurance subsidiaries. Solvency or other concerns about Genworth or its insurance company subsidiaries may cause those subsidiaries or their regulators to take or attempt to take actions that could adversely affect UFLIC, including control over assets in the relevant trusts. In addition, our customers include numerous governmental entities within and outside the U.S., including the U.S. federal government and state and local entities. We also at times face greater challenges collecting on receivables with customers that are sovereign governments or located in emerging markets. If there is significant deterioration in the global economy, in our industries, in financial markets or with particular significant counterparties, our results of operations, financial position and cash flows could be materially adversely affected.

Postretirement benefit plans - Increases in pension, healthcare and life insurance benefits obligations and costs can adversely affect our earnings, cash flows and further progress toward our leverage goals. Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. GAAP requires that we calculate income or expense for the plans using actuarial valuations, which reflect assumptions about financial markets, interest rates and other economic conditions such as the discount rate and the expected long-term rate of return on plan assets. We are also required to make an annual measurement of plan assets and liabilities, which may result in a significant reduction or increase to equity. The factors that impact our pension calculations are subject to changes in key economic indicators, and future decreases in the discount rate or low returns on plan assets can increase our funding obligations and adversely impact our financial results. In addition, although GAAP expense and pension funding contributions are not directly related, key economic factors that affect GAAP expense would also likely affect the amount of cash we would be required to contribute to pension plans under ERISA. Failure to achieve expected returns on plan assets driven by various factors, which could include a continued environment of low interest rates or sustained market volatility, could also result in an increase to the amount of cash we would be required to contribute to pension plans. In addition, there may be upward pressure on the cost of providing healthcare benefits to current and future retirees. There can be no assurance that the measures we have taken to control increases in these costs will succeed in limiting cost increases, and continued upward pressure could reduce our profitability. For a discussion regarding how our financial statements have been and can be affected by our pension and healthcare benefit obligations, see Note 12.

LEGAL & COMPLIANCE RISKS. Legal and compliance risk relates to risks arising from the government and regulatory environment, legal proceedings and compliance with integrity policies and procedures, including matters relating to financial reporting and the environment, health and safety. Government and regulatory risk includes the risk that the government or regulatory actions will impose additional cost on us or require us to make adverse changes to our business models or practices.

Regulatory - We are subject to a wide variety of laws, regulations and government policies that may change in significant ways. Our businesses are subject to regulation under a wide variety of U.S. federal and state and non-U.S. laws, regulations and policies. There can be no assurance that laws, regulations and policies will not be changed or interpreted or enforced in ways that will require us to modify our business models and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. In particular, recent trends globally toward increased protectionism, import and export controls and the use of tariffs and other trade barriers can result in actions by governments around the world that have been and may continue to be disruptive and costly to our businesses, and can interfere with our global operating model and weaken our competitive position. Other legislative and regulatory areas of significance for our businesses that U.S. and non-U.S. governments have focused and continue to focus on include cybersecurity, data privacy and sovereignty, anti-corruption, competition law, compliance with complex trade controls and economic sanctions laws, climate change and greenhouse gas emissions, foreign exchange intervention in response to currency volatility and currency controls that could restrict the movement of liquidity from particular jurisdictions. Potential changes to tax laws, including changes to taxation of global income, may have an effect on our subsidiaries' structure, operations, sales, liquidity, cash flows, capital requirements, effective tax rate and performance. For example, legislative or regulatory measures by U.S. federal, states or non-U.S. governments, or rules, interpretations or audits under new or existing tax laws, could increase our costs or tax rate. In addition, efforts by public and private sectors to control healthcare costs may lead to lower reimbursements and increased utilization controls related to the use of our products by healthcare providers. Regulation or government scrutiny may impact the requirements for marketing our products and slow our ability to introduce new products, resulting in an adverse impact on our business. Furthermore, we make sales to U.S. and non-U.S. governments and other public sector customers, and we participate in various governmental financing programs, that require us to comply with strict governmental regulations. Inability to comply with these regulations could adversely affect our status with such customers or our ability to participate in projects, and could have collateral consequences such as suspension or debarment. Suspension or debarment, depending on the entity involved and length of time, can limit our ability to do bid for business with certain government-related customers or to participate in projects involving multilateral development banks, and this could adversely affect our results of operations, financial position and cash flows.

Legal proceedings - We are subject to legal proceedings, disputes, investigations and legal compliance risks, including trailing liabilities from businesses that we dispose of or that are inactive. We are subject to a variety of legal proceedings, commercial disputes, legal compliance risks and environmental, health and safety compliance risks in virtually every part of the world. We, our representatives, and the industries in which we operate are subject to continuing scrutiny by regulators, other governmental authorities and private sector entities or individuals in the U.S., the European Union, China and other jurisdictions, which have led or may, in certain circumstances, lead to enforcement actions, adverse changes to our business practices, fines and penalties, required remedial actions such as contaminated site clean-up or other environmental claims, or the assertion of private litigation claims and/or damages that could be material. For example, following our acquisition of Alstom's Thermal, Renewables and Grid businesses in 2015, we are subject to legacy legal proceedings and legal compliance risks that relate to claimed anti-competitive conduct or corruption by Alstom in the pre-acquisition period, and payments for settlements, judgments, penalties or other liabilities in connection with those matters have resulted and will in the future result in cash outflows. In addition, while in December 2020 we entered into a settlement to conclude the previously disclosed SEC investigation of GE, we remain subject to shareholder lawsuits related to the Company's financial performance, accounting and disclosure practices and related legacy matters. We have observed that these proceedings related to claims about past financial performance and reporting pose particular reputational risks for the Company that can cause new allegations about past or current misconduct, even if unfounded, to have a more significant impact on our reputation and how we are viewed by investors, customers and others than they otherwise would. We have established reserves for legal matters when and as appropriate; however, the estimation of legal reserves or possible losses involves significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations, and the actual losses arising from particular matters may exceed our current estimates and adversely affect our results of operations. The risk management and compliance programs we have adopted and related actions that we take may not fully mitigate legal and compliance risks that we face, particularly in light of the global and diverse nature of our operations and the current enforcement environments in many jurisdictions. For example, when we investigate potential noncompliance under U.S. and non-U.S. law involving GE employees or third parties we work with, in some circumstances we make self-disclosures about our findings to relevant authorities who may pursue or decline to pursue enforcement proceedings against us in connection with those matters. We are also subject to material trailing legal liabilities from businesses that we dispose of or that are inactive. We also expect that additional legal proceedings and other contingencies will arise from time to time. Moreover, we sell products and services in growth markets where claims arising from alleged violations of law, product failures or other incidents involving our products and services are adjudicated within legal systems that are less developed and less reliable than those of the U.S. or other more developed markets, and this can create additional uncertainty about the outcome of proceedings before courts or other governmental bodies in those markets. See Note 22 for further information about legal proceedings and other loss contingencies.

LEGAL PROCEEDINGS. Refer to Legal Matters and Environmental, Health and Safety Matters in Note 22 to the consolidated financial statements for information relating to legal proceedings.

MANAGEMENT AND AUDITOR'S REPORTS

MANAGEMENT'S DISCUSSION OF FINANCIAL RESPONSIBILITY. Management is responsible for the preparation of the consolidated financial statements and related information that are presented in this report. The consolidated financial statements, which include amounts based on management's estimates and judgments, have been prepared in conformity with U.S generally accepted accounting principles.

The Company designs and maintains accounting and internal control systems to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing consolidated financial statements and maintaining accountability for assets. These systems are enhanced by policies and procedures, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of internal audits.

The Company engaged Deloitte and Touche LLP, an independent registered public accounting firm, to audit and render an opinion on the consolidated financial statements and internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB).

The Board of Directors, through its Audit Committee, which consists entirely of independent directors, meets periodically with management, internal auditors, and our independent registered public accounting firm to ensure that each is meeting its responsibilities and to discuss matters concerning internal controls and financial reporting. Deloitte and Touche LLP and the internal auditors each have full and free access to the Audit Committee.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. With our participation, an evaluation of the effectiveness of our internal control over financial reporting was conducted as of December 31, 2021, based on the framework and criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2021.

Our independent registered public accounting firm has issued an audit report on our internal control over financial reporting. Their report follows.

/s/ H. Lawrence Culp, Jr.	/s/ Carolina Dybeck Happe
H. Lawrence Culp, Jr.	Carolina Dybeck Happe
Chairman and Chief Executive Officer	Chief Financial Officer
February 11, 2022	

DISCLOSURE CONTROLS. Under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated our disclosure controls and procedures and internal control over financial reporting and concluded that our disclosure controls and procedures were effective as of December 31, 2021. There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the shareholders and the Board of Directors of General Electric Company

Opinion on the Financial Statements
We have audited the accompanying consolidated statement of financial position of General Electric Company and subsidiaries (the "Company") as of December 31, 2021, the related consolidated statements of earnings (loss), comprehensive income (loss), changes in shareholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 11, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters
The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sales of services - Revenue recognition on certain long-term service agreements - Refer to Notes 1 and 8 to the financial statements

Critical Audit Matter Description
The Company enters into long-term service agreements with certain customers, predominately within the Aviation and Power segments. These agreements require the Company to provide maintenance services for customer assets over the contract term, which generally range from 5 to 25 years. Revenue for these agreements is recognized using the percentage of completion method, based on costs incurred relative to total estimated costs over the contract term. As part of the revenue recognition process, the Company estimates both customer payments that are expected to be received and costs to perform maintenance services over the contract term. Key estimates that require significant judgment from management include: (a) how the customer will utilize the assets covered over the contract term; (b) the expected timing and extent of future maintenance and overhaul services; (c) the future cost of materials, labor, and other resources; and (d) forward looking information concerning market conditions, including the potential for early retirements of assets, and expected cost improvement.

Given the complexity involved with evaluating the key estimates, which includes significant judgment necessary to estimate customer payments and future costs, auditing these assumptions required a high degree of auditor judgment and extensive audit effort, including the involvement of professionals with specialized skills and industry knowledge.

How the Critical Audit Matter Was Addressed in the Audit
Our auditing procedures over the key estimates described above related to the amount and timing of revenue recognition of the long-term service agreements, predominately within the Aviation and Power segments, included the following, among others:

- We tested the effectiveness of controls over the revenue recognition process for the long-term service agreements, including controls over management's key estimates.
- We evaluated management's risk assessment process through observation of key meetings and processes addressing contract status and current market conditions including the timely incorporation of changes that affect total estimated costs to complete the contract and future billings.

- We evaluated the appropriateness and consistency of management's methods and key assumptions applied in recognizing revenue and developing cost estimates.
- We tested management's utilization assumptions for the assets covered over the contract term, which impact the estimated timing and extent of future maintenance and overhaul services by comparing current estimates to historical information and projected market conditions.
- We tested management's process for estimating the timing and amount of costs associated with maintenance, overhaul, and other major events throughout the contract term, including comparing estimates to historical cost experience, performing a retrospective review, conducting analytical procedures, and utilizing specialists to evaluate engineering studies and statistical models used by the Company to estimate the useful life of certain components of the installed equipment.

Premium deficiency testing - future policy benefits – refer to Notes 1 and 11 to the financial statements

Critical Audit Matter Description
The Company performs premium deficiency testing to assess the adequacy of future policy benefit reserves on an annual basis or whenever events or changes in circumstances indicate that a premium deficiency event may have occurred. Significant uncertainties exist in testing cash flow projections in the premium deficiency test for these insurance contracts, including consideration of a wide range of possible outcomes of future events over the life of the insurance contracts that can extend for long periods of time.

Given the significant judgments made by management in estimating the cash flow projections used in the premium deficiency test, including the determination of certain key assumptions, auditing the premium deficiency test required a high degree of auditor judgment and an increased extent of effort, including the involvement of our actuarial specialists. Key assumptions impacting the cash flow projections that are sensitive and are more subjective requiring significant judgment by management are discount rate, rate of changes in morbidity, and future long-term care premium rate increases.

How the Critical Audit Matter Was Addressed in the Audit
Our audit procedures, which included the involvement of our actuarial specialists, related to the premium deficiency analysis included the following, among others:

- We tested the effectiveness of controls related to the premium deficiency test process, including controls over the development of key assumptions and management's judgments related to the development of the cash flow projections.
- We tested the underlying data for completeness and accuracy, including historical cash flows and experience study data, that served as the basis for the actuarial estimates.
- We evaluated the key assumptions by considering historical actual experience, sensitivity analyses, relevant industry data when available, and management's basis for changes or lack of change in key assumptions.
- We performed recalculations to assess that the key assumptions were reflected in the cash flow projections.
- We evaluated the impact of updated key assumptions to the projected cash flows and the overall conclusion for the premium deficiency test.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
February 11, 2022
We have served as the Company's auditor since 2020.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the shareholders and the Board of Directors of General Electric Company

Opinion on Internal Control over Financial Reporting
We have audited the internal control over financial reporting of General Electric Company and subsidiaries (the "Company") as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2021, of the Company and our report dated February 11, 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
February 11, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Directors and Shareholders of General Electric Company:

Opinion on the Consolidated Financial Statements
We have audited the accompanying consolidated statement of financial position of General Electric Company, and consolidated affiliates (the Company) as of December 31, 2020, the related consolidated statements of earnings (loss), comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

KPMG LLP

We served as the Company's auditor from 1909 to 2020.

Boston, Massachusetts

February 12, 2021, except for the changes described in the first four paragraphs of note 1, the third paragraph of note 2 and the first paragraph of note 17, as to which the date is February 11, 2022

STATEMENT OF EARNINGS (LOSS)

For the years ended December 31 (In millions; per-share amounts in dollars)	2021	2020	2019
Sales of equipment	$ 34,200	$ 37,584	$ 42,811
Sales of services	36,890	35,385	44,608
Insurance revenues (Note 11)	3,106	2,865	2,802
Total revenues (Note 23)	74,196	75,833	90,221
Cost of equipment sold	31,399	35,242	37,572
Cost of services sold	22,497	22,629	27,280
Selling, general and administrative expenses	11,707	12,592	13,806
Research and development	2,497	2,565	3,118
Interest and other financial charges	1,876	2,068	2,927
Debt extinguishment costs (Note 10)	6,524	301	256
Insurance losses and annuity benefits (Note 11)	2,283	2,397	3,294
Goodwill impairments (Note 7)	—	877	1,486
Non-operating benefit costs	1,782	2,430	2,839
Other costs and expenses	136	159	176
Total costs and expenses	80,702	81,259	92,754
Other income (Note 18)	2,823	11,396	2,479
Earnings (loss) from continuing operations before income taxes	(3,683)	5,970	(54)
Benefit (provision) for income taxes (Note 14)	286	487	(552)
Earnings (loss) from continuing operations	(3,396)	6,457	(606)
Earnings (loss) from discontinued operations, net of taxes (Note 2)	(3,195)	(911)	(4,306)
Net earnings (loss)	(6,591)	5,546	(4,912)
Less net earnings (loss) attributable to noncontrolling interests	(71)	(158)	66
Net earnings (loss) attributable to the Company	(6,520)	5,704	(4,979)
Preferred stock dividends	(237)	(474)	(460)
Net earnings (loss) attributable to GE common shareholders	$ (6,757)	$ 5,230	$ (5,439)
Amounts attributable to GE common shareholders			
Earnings (loss) from continuing operations	$ (3,396)	$ 6,457	$ (606)
Less net earnings (loss) attributable to noncontrolling interests, continuing operations	(71)	(158)	7
Earnings (loss) from continuing operations attributable to the Company	(3,325)	6,615	(613)
Preferred stock dividends	(237)	(474)	(460)
Earnings (loss) from continuing operations attributable to GE common shareholders	(3,562)	6,141	(1,073)
Earnings (loss) from discontinued operations attributable to GE common shareholders	(3,195)	(911)	(4,366)
Net earnings (loss) attributable to GE common shareholders	$ (6,757)	$ 5,230	$ (5,439)
Earnings (loss) per share from continuing operations (Note 17)			
Diluted earnings (loss) per share	$ (3.25)	$ 5.46	$ (0.98)
Basic earnings (loss) per share	$ (3.25)	$ 5.46	$ (0.98)
Net earnings (loss) per share (Note 17)			
Diluted earnings (loss) per share	$ (6.16)	$ 4.63	$ (4.99)
Basic earnings (loss) per share	$ (6.16)	$ 4.63	$ (4.99)

STATEMENT OF FINANCIAL POSITION

December 31 (In millions, except share amounts)		2021		2020
Cash, cash equivalents and restricted cash(a)	$	15,770	$	36,530
Investment securities (Note 3)		12,297		7,319
Current receivables (Note 4)		15,620		16,691
Inventories, including deferred inventory costs (Note 5)		15,847		15,890
Current contract assets (Note 8)		4,881		5,764
All other current assets (Note 9)		1,933		2,659
Current assets		66,348		84,853
Investment securities (Note 3)		42,209		42,549
Property, plant and equipment – net (Note 6)		15,609		16,699
Goodwill (Note 7)		26,182		25,524
Other intangible assets – net (Note 7)		9,330		9,671
Contract and other deferred assets (Note 8)		6,124		5,888
All other assets (Note 9)		19,040		16,025
Deferred income taxes (Note 14)		10,855		14,253
Assets of discontinued operations (Note 2)		3,177		40,749
Total assets	$	198,874	$	256,211
Short-term borrowings (Note 10)	$	4,361	$	4,713
Accounts payable and equipment project accruals		16,243		16,458
Progress collections and deferred income (Note 8)		17,372		18,371
All other current liabilities (Note 13)		13,977		15,071
Current liabilities		51,953		54,613
Deferred income (Note 8)		1,989		1,801
Long-term borrowings (Note 10)		30,824		70,189
Insurance liabilities and annuity benefits (Note 11)		37,166		42,191
Non-current compensation and benefits		21,202		29,677
All other liabilities (Note 13)		13,240		14,781
Liabilities of discontinued operations (Note 2)		887		5,886
Total liabilities		157,262		219,138
Preferred stock (5,939,875 shares outstanding at both December 31, 2021 and December 31, 2020)		6		6
Common stock (1,099,027,213 and 1,095,686,581 shares outstanding at December 31, 2021 and December 31, 2020, respectively)(b)		15		702
Accumulated other comprehensive income (loss) – net attributable to GE		1,582		(9,749)
Other capital		34,691		34,307
Retained earnings		85,110		92,247
Less common stock held in treasury		(81,093)		(81,961)
Total GE shareholders' equity		40,310		35,552
Noncontrolling interests (Note 15)		1,302		1,522
Total equity		41,612		37,073
Total liabilities and equity	$	198,874	$	256,211

(a) Excluded $353 million and $455 million at December 31, 2021 and December 31, 2020, respectively, in our run-off Insurance business, which is subject to regulatory restrictions. This balance is included in All other assets. See Note 9 for further information.

(b) Reduction of $687 million in common stock represents the change in par value of issued shares from $0.06 to $0.01 with the offsetting change in Other capital.

STATEMENT OF CASH FLOWS

For the years ended December 31 (In millions)		2021	2020	2019
Net earnings (loss)	$	(6,591) $	5,546 $	(4,912)
(Earnings) loss from discontinued operations		3,195	911	4,306
Adjustments to reconcile net earnings (loss)				
to cash provided from operating activities				
Depreciation and amortization of property, plant and equipment		1,871	2,128	2,018
Amortization of intangible assets		1,138	1,336	1,523
Goodwill impairments (Note 7)		—	877	1,486
(Gains) losses on purchases and sales of business interests (Note 18)		40	(12,469)	14
(Gains) losses on equity securities (Note 18)		(1,656)	2,085	(696)
Debt extinguishment costs (Note 10)		6,524	301	256
Principal pension plans cost (Note 12)		2,650	3,559	3,878
Principal pension plans employer contributions (Note 12)		(326)	(2,806)	(298)
Other postretirement benefit plans (net) (Note 12)		(1,144)	(893)	(1,228)
Provision (benefit) for income taxes (Note 14)		(286)	(487)	552
Cash recovered (paid) during the year for income taxes		(1,165)	(1,441)	(1,950)
Changes in operating working capital:				
Decrease (increase) in current receivables		(177)	(1,319)	(2,851)
Decrease (increase) in inventories, including deferred inventory costs		(702)	1,105	(1,581)
Decrease (increase) in current contract assets		1,031	1,631	891
Increase (decrease) in accounts payable and equipment project accruals		(2)	(582)	2,679
Increase (decrease) in progress collections and current deferred income		(1,052)	(247)	1,476
Financial services derivatives net collateral/settlement		(1,143)	1,897	1,278
All other operating activities		(1,317)	(109)	2,000
Cash from (used for) operating activities – continuing operations		888	1,025	8,838
Cash from (used for) operating activities – discontinued operations		2,444	2,543	(104)
Cash from (used for) operating activities		3,332	3,568	8,734
Additions to property, plant and equipment		(1,250)	(1,579)	(2,216)
Dispositions of property, plant and equipment		167	203	379
Additions to internal-use software		(111)	(151)	(282)
Proceeds from sale of discontinued operations		22,356	—	5,864
Proceeds from principal business dispositions		1	20,562	1,124
Net cash from (payments for) principal businesses purchased		(1,550)	(85)	(68)
Sales of retained ownership interests		4,145	417	3,383
Net (purchases) dispositions of insurance investment securities		(1,290)	(1,352)	(1,600)
All other investing activities		1,237	1,280	5,613
Cash from (used for) investing activities – continuing operations		23,705	19,297	12,197
Cash from (used for) investing activities – discontinued operations		(2,397)	(2,626)	(3,220)
Cash from (used for) investing activities		21,308	16,671	8,977
Net increase (decrease) in borrowings (maturities of 90 days or less)		(710)	(4,168)	280
Newly issued debt (maturities longer than 90 days)		364	15,028	2,185
Repayments and other debt reductions (maturities longer than 90 days)		(36,521)	(29,632)	(16,307)
Dividends paid to shareholders		(575)	(648)	(649)
Cash paid for debt extinguishment costs		(7,196)	(335)	(255)
All other financing activities		(658)	(6)	(941)
Cash from (used for) financing activities – continuing operations		(45,296)	(19,762)	(15,686)
Cash from (used for) financing activities – discontinued operations		119	(90)	(446)
Cash from (used for) financing activities		(45,177)	(19,852)	(16,133)
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash		(213)	145	(50)
Increase (decrease) in cash, cash equivalents and restricted cash		(20,750)	531	1,529
Cash, cash equivalents and restricted cash at beginning of year		37,608	37,077	35,548
Cash, cash equivalents and restricted cash at December 31		16,859	37,608	37,077
Less cash, cash equivalents and restricted cash of discontinued operations at December 31		736	623	774
Cash, cash equivalents and restricted cash of continuing operations at December 31	$	16,123 $	36,985 $	36,303
Supplemental disclosure of cash flows information				
Cash paid during the year for interest	$	(2,536) $	(2,976) $	(4,101)

STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31 (In millions)	2021	2020	2019
Net earnings (loss)	$ (6,591)	$ 5,546	$ (4,912)
Less net earnings (loss) attributable to noncontrolling interests	(71)	(158)	66
Net earnings (loss) attributable to the Company	$ (6,520)	$ 5,704	$ (4,979)
Currency translation adjustments	(174)	435	1,275
Benefit plans	9,044	1,632	1,229
Investment securities and cash flow hedges	2,466	(78)	136
Less: other comprehensive income (loss) attributable to noncontrolling interests	5	6	(40)
Other comprehensive income (loss) attributable to the Company	$ 11,330	$ 1,984	$ 2,681
Comprehensive income (loss)	$ 4,745	$ 7,536	$ (2,272)
Less: comprehensive income (loss) attributable to noncontrolling interests	(66)	(152)	26
Comprehensive income (loss) attributable to the Company	$ 4,810	$ 7,688	$ (2,297)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31 (In millions)	2021	2020	2019
Preferred stock issued	$ 6	$ 6	$ 6
Common stock issued	$ 15	$ 702	$ 702
Beginning balance	(9,749)	(11,732)	(14,414)
Currency translation adjustments	(177)	433	1,315
Benefit plans	9,041	1,628	1,231
Investment securities and cash flow hedges	2,466	(78)	135
Accumulated other comprehensive income (loss)	$ 1,582	$ (9,749)	$ (11,732)
Beginning balance	34,307	34,405	35,504
Gains (losses) on treasury stock dispositions	(740)	(703)	(925)
Stock-based compensation	429	429	475
Other changes	696	176	(649)
Other capital	$ 34,691	$ 34,307	$ 34,405
Beginning balance	92,247	87,732	93,109
Net earnings (loss) attributable to the Company	(6,520)	5,704	(4,979)
Dividends and other transactions with shareholders	(617)	(1,014)	(766)
Changes in accounting	—	(175)	368
Retained earnings	$ 85,110	$ 92,247	$ 87,732
Beginning balance	(81,961)	(82,797)	(83,925)
Purchases	(107)	(28)	(57)
Dispositions	974	864	1,186
Common stock held in treasury	$ (81,093)	$ (81,961)	$ (82,797)
GE shareholders' equity balance	40,310	35,552	28,316
Noncontrolling interests balance	1,302	1,522	1,545
Total equity balance at December 31	$ 41,612	$ 37,073	$ 29,861

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL STATEMENT PRESENTATION. On November 1, 2021, we completed the combination of our GE Capital Aviation Services (GECAS) business with AerCap Holdings N.V. (AerCap). Upon completion of this transaction, in order to focus on our core industrial businesses of Aviation, Healthcare, Renewable Energy and Power, we voluntarily transitioned from three-column to simpler one-column financial statement reporting for all periods presented.

Previously, we presented our financial statements in a three-column format, which allowed investors to see our industrial operations separately from our financial services operations (GE Capital). Moving to one-column consolidated financial statements reflects the reduction in size of our financial services portfolio as a result of various strategic actions taken over recent years.

We also made these related reporting changes for all periods presented:

- began presenting the results of the remainder of our former Capital segment, including Energy Financial Services (EFS) and our run-off insurance operations, within Corporate.
- reclassified amounts related to our EFS, Working Capital Solutions (WCS) and Treasury businesses from our formerly captioned GE Capital revenues from services to Other income to align with our industrial segment presentation of derivative, equity method and other investment income. There was no change to the presentation of our run-off Insurance revenues and, consequently, our run-off Insurance revenues are now presented as a separate line in our Statement of Earnings (Loss).
- reclassified our formerly captioned Financing receivables and Other GE Capital receivables to All other assets to further simplify our Statement of Financial Position given the reduction of these balances over time in relation to consolidated total assets.
- ceased referring to GE Industrial, a term formerly defined as the adding together of all industrial affiliates giving effect to the elimination of transactions among such affiliates.
- redefined the basis on which profit is determined for the remainder of our former Capital segment which is now reported within Corporate. Previously, Interest and other financial charges, income taxes, non-operating benefit costs and preferred stock dividends were included in determining our former Capital segment profit (which we sometimes referred to as net earnings). To align with our industrial segments, these items are now excluded in determining profit for all businesses reported within Corporate except EFS, which will continue to be reported on a net earnings basis given the integral nature of Production Tax Credits (PTCs) and Investment Tax Credits (ITCs) in relation to its business model.

In addition, effective December 31, 2021, we have changed the way we present sales of spare parts, upgrade equipment and other aftermarket goods that are used in the provision of our services in our Statement of Earnings (Loss) to conform with the way we manage the businesses and have historically presented them in MD&A and other related notes. Specifically, we now consistently present sales of spare parts used in a service arrangement as part of Sales of services and the related costs as Costs of services sold. While this presentation change has no impact on Total revenues or Total costs and expenses, including the timing of revenue recognition, Sales of services now includes $11,425 million, $11,823 million and $16,058 million of revenues and Cost of services sold now includes $5,776 million, $6,751 million and $8,269 million of costs for the years ended December 31, 2021, 2020 and 2019, respectively, for tangible products primarily attributable to spare part sales at our Aviation and Power segments.

Our financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP), which requires us to make estimates based on assumptions about current, and for some estimates, future, economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations, financial position and cash flows. In particular, a number of estimates have been and will continue to be affected by the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The severity, magnitude and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain, rapidly changing and difficult to predict. As a result, our accounting estimates and assumptions may change over time in response to COVID-19. Such changes could result in future impairments of goodwill, intangibles, long-lived assets and investment securities, revisions to estimated profitability on long-term product service agreements, incremental credit losses on receivables and debt securities, a change in the carrying amount of our tax assets and liabilities, or a change in our insurance liabilities and pension obligations as of the time of a relevant measurement event.

In preparing our Statement of Cash Flows, we make certain adjustments to reflect cash flows that cannot otherwise be calculated by changes in our Statement of Financial Position. These adjustments may include, but are not limited to, the effects of currency exchange, acquisitions and dispositions of businesses, businesses classified as held for sale, the timing of settlements to suppliers for property, plant and equipment, non-cash gains/losses and other balance sheet reclassifications.

We have reclassified certain prior-year amounts to conform to the current-year's presentation. Unless otherwise noted, tables are presented in U.S. dollars in millions. Certain columns and rows may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in millions. Earnings per share amounts are computed independently for earnings from continuing operations, earnings from discontinued operations and net earnings. As a result, the sum of per-share amounts may not equal the total. Unless otherwise indicated, information in these notes to consolidated financial statements relates to continuing operations. Certain of our operations have been presented as discontinued. We present businesses whose disposal represents a strategic shift that has, or will have, a major effect on our operations and financial results as discontinued operations when the components meet the criteria for held for sale, are sold, or spun-off. See Note 2 for further information.

CONSOLIDATION. Our financial statements consolidate all of our affiliates, entities where we have a controlling financial interest, most often because we hold a majority voting interest, or where we are required to apply the variable interest entity (VIE) model because we have the power to direct the most economically significant activities of entities. We reevaluate whether we have a controlling financial interest in all entities when our rights and interests change.

REVENUES FROM THE SALE OF EQUIPMENT. Performance Obligations Satisfied Over Time. We recognize revenue on agreements for the sale of customized goods including power generation equipment, long-term construction projects and military development contracts on an over-time basis as we customize the customer's equipment during the manufacturing or integration process and obtain right to payment for work performed.

We recognize revenue as we perform under the arrangements using the percentage of completion method, which is based on our costs incurred to date relative to our estimate of total expected costs. Our estimate of costs to be incurred to fulfill our promise to a customer is based on our history of manufacturing or constructing similar assets for customers and is updated routinely to reflect changes in quantity or pricing of the inputs. We provide for potential losses on these agreements when it is probable that we will incur the loss.

Our billing terms for these over-time contracts are generally based on achieving specified milestones. The differences between the timing of our revenue recognized (based on costs incurred) and customer billings (based on contractual terms) results in changes to our contract asset or contract liability positions. See Note 8 for further information.

Performance Obligations Satisfied at a Point in Time. We recognize revenue on agreements for non-customized equipment including commercial aircraft engines, healthcare equipment and other goods we manufacture on a standardized basis for sale to the market at the point in time that the customer obtains control of the product, which is generally no earlier than when the customer has physical possession. We use proof of delivery for certain large equipment with more complex logistics, whereas the delivery of other equipment is estimated based on historical averages of in-transit periods (i.e., time between shipment and delivery).

Where arrangements include customer acceptance provisions based on seller or customer-specified objective criteria, we recognize revenue when we have concluded that the customer has control of the equipment and that acceptance is likely to occur. We do not provide for anticipated losses on point-in-time transactions prior to transferring control of the equipment to the customer.

Our billing terms for these point-in-time equipment contracts generally coincide with delivery to the customer; however, within certain businesses, we receive progress collections from customers for large equipment purchases, to generally reserve production slots.

REVENUES FROM THE SALE OF SERVICES. Consistent with our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) discussion and the way we manage our businesses, we refer to sales under service agreements, which includes both goods (such as spare parts and equipment upgrades) and related services (such as monitoring, maintenance and repairs) as sales of "services," which is an important part of our operations. We sometimes offer our customers financing discounts for the purchase of certain equipment when sold in contemplation of long-term service agreements. These sales are accounted for as financing arrangements when payments for the equipment are collected through higher usage-based fees from servicing the equipment. See Note 8 for further information.

Performance Obligations Satisfied Over Time. We enter into long-term service agreements with our customers primarily within our Aviation and Power segments. These agreements require us to provide preventative maintenance, overhauls, and standby "warranty-type" services that include certain levels of assurance regarding asset performance and uptime throughout the contract periods, which generally range from 5 to 25 years. We account for items that are integral to the maintenance of the equipment as part of our performance obligation, unless the customer has a substantive right to make a separate purchasing decision (e.g., equipment upgrade). We recognize revenue as we perform under the arrangements using the percentage of completion method which is based on our costs incurred to date relative to our estimate of total expected costs. Throughout the life of a contract, this measure of progress captures the nature, timing and extent of our underlying performance activities as our stand-ready services often fluctuate between routine inspections and maintenance, unscheduled service events and major overhauls at pre-determined usage intervals. We provide for potential losses on these agreements when it is probable that we will incur the loss.

Our billing terms for these arrangements are generally based on the utilization of the asset (e.g., per hour of usage) or upon the occurrence of a major maintenance event within the contract, such as an overhaul. The differences between the timing of our revenue recognized (based on costs incurred) and customer billings (based on contractual terms) results in changes to our contract asset or contract liability positions. See Note 8 for further information.

We also enter into long-term services agreements in our Healthcare and Renewable Energy segments. Revenues are recognized for these arrangements on a straight-line basis consistent with the nature, timing and extent of our services, which primarily relate to routine maintenance and as needed equipment repairs. We generally invoice periodically as services are provided.

Performance Obligations Satisfied at a Point in Time. We sell certain tangible products, largely spare parts, through our services businesses. We recognize revenues and bill our customers at the point in time that the customer obtains control of the good, which is at the point in time we deliver the spare part to the customer.

COLLABORATIVE ARRANGEMENTS. Our Aviation business enters into collaborative arrangements and joint ventures with manufacturers and suppliers of components used to build and maintain certain engines. Under these arrangements, GE and its collaborative partners share in the risks and rewards of these programs through various revenue, cost and profit sharing payment structures. GE recognizes revenue and costs for these arrangements based on the scope of work GE is responsible for transferring to its customers. GE's payments to participants are primarily recorded as either cost of services sold ($2,125 million, $2,407 million and $3,517 million for the years ended December 31, 2021, 2020 and 2019, respectively) or as cost of equipment sold ($751 million, $1,093 million and $1,396 million for the years ended December 31, 2021, 2020 and 2019, respectively). Our most significant collaborative arrangement is with Safran Aircraft engines, a subsidiary of Safran Group of France, which sells LEAP and CFM56 engines through CFM International, a jointly owned non-consolidated company. GE makes substantial sales of parts and services to CFM International based on arms-length terms.

INSURANCE REVENUES. Insurance revenues is comprised primarily of premiums and investment income related to our run-off Insurance business. For traditional long-duration insurance contracts, we report premiums as revenue when due. Premiums received on non-traditional long-duration insurance contracts and investment contracts, including annuities without significant mortality risk, are not reported as revenues but rather as deposit liabilities. We recognize revenues for charges and assessments on these contracts, mostly for mortality, contract initiation, administration and surrender. Amounts credited to policyholder accounts are charged to expense.

CASH, CASH EQUIVALENTS AND RESTRICTED CASH. Debt securities and money market instruments with original maturities of three months or less are included in cash, cash equivalents and restricted cash unless classified as available-for-sale investment securities. Restricted cash primarily comprised funds restricted in connection with certain ongoing litigation matters and amounted to $317 million and $408 million at December 31, 2021 and December 31, 2020, respectively.

INVESTMENT SECURITIES. We report investments in available-for-sale debt securities and certain equity securities at fair value. Unrealized gains and losses on available-for-sale debt securities are recorded to other comprehensive income, net of applicable taxes and adjustments related to our insurance liabilities. Unrealized gains and losses on equity securities with readily determinable fair values are recorded to earnings.

Although we generally do not have the intent to sell any specific debt securities in the ordinary course of managing our portfolio, we may sell debt 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.

We regularly review investment securities for impairment. For debt securities, if we do not intend to sell the security or it is not more likely than not that we will be required to sell the security before recovery of our amortized cost, we evaluate qualitative criteria, such as the financial health of and specific prospects for the issuer, to determine whether we do not expect to recover the amortized cost basis of the security. We also evaluate quantitative criteria including determining whether there has been an adverse change in expected future cash flows. If we do not expect to recover the entire amortized cost basis of the security, we consider the security to contain an expected credit loss, and we record the difference between the security's amortized cost basis and its recoverable amount in earnings as an allowance for credit loss and the difference between the security's recoverable amount and fair value in other comprehensive income. If we intend to sell the security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, the security is considered impaired, and we recognize the entire difference between the security's amortized cost basis and its fair value in earnings. See Note 3 for further information.

CURRENT RECEIVABLES. Amounts due from customers arising from the sales of equipment and services are recorded at the outstanding amount, less allowance for losses. We regularly monitor the recoverability of our receivables. See Note 4 for further information.

ALLOWANCE FOR CREDIT LOSSES. When we record customer receivables, contract assets and financing receivables arising from revenue transactions, as well as commercial mortgage loans and reinsurance recoverables in our run-off insurance operations, financial guarantees and certain commitments, we record an allowance for credit losses for the current expected credit losses (CECL) inherent in the asset over its expected life. The allowance for credit losses is a valuation account deducted from the amortized cost basis of the assets to present their net carrying value at the amount expected to be collected. Each period the allowance for credit losses is adjusted through earnings to reflect expected credit losses over the remaining lives of the assets. We evaluate debt securities with unrealized losses to determine whether any of the losses arise from concerns about the issuer's credit or the underlying collateral and record an allowance for credit losses, if required.

We estimate expected credit losses based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. When measuring expected credit losses, we pool assets with similar country risk and credit risk characteristics. Changes in the relevant information may significantly affect the estimates of expected credit losses.

INVENTORIES. All inventories are stated at lower of cost or realizable values. Cost of inventories is primarily determined on a first-in, first-out (FIFO) basis. See Note 5 for further information.

PROPERTY, PLANT AND EQUIPMENT. The cost of property, plant and equipment is generally depreciated on a straight-line basis over its estimated economic life. See Note 6 for further information.

LEASE ACCOUNTING FOR LESSEE ARRANGEMENTS. At lease commencement, we record a lease liability and corresponding right-of-use (ROU) asset. Options to extend the lease are included as part of the ROU lease asset and liability when it is reasonably certain the Company will exercise the option. We have elected to include lease and non-lease components in determining our lease liability for all leased assets except our vehicle leases. Non-lease components are generally services that the lessor performs for the Company associated with the leased asset. The present value of our lease liability is determined using our incremental collateralized borrowing rate at lease inception. For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term. We test ROU assets whenever events or changes in circumstance indicate that the asset may be impaired.

GOODWILL AND OTHER INTANGIBLE ASSETS. We test goodwill at least annually for impairment at the reporting unit level. We recognize an impairment charge if the carrying amount of a reporting unit exceeds its fair value. When a portion of a reporting unit is disposed, goodwill is allocated to the gain or loss on disposition based on the relative fair values of the business or businesses disposed and the portion of the reporting unit that will be retained.

For other intangible assets that are not deemed indefinite-lived, cost is generally amortized on a straight-line basis over the asset's estimated economic life, except for individually significant customer-related intangible assets that are amortized in relation to total related sales. Amortizable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In these circumstances, they are tested for impairment based on undiscounted cash flows and, if impaired, written down to estimated fair value based on either discounted cash flows or appraised values. See Note 7 for further information.

DERIVATIVES AND HEDGING. We use derivatives to manage a variety of risks, including risks related to interest rates, foreign exchange, certain equity investments and commodity prices. Accounting for derivatives as hedges requires that, at inception and over the term of the arrangement, the hedged item and related derivative meet the requirements for hedge accounting. In evaluating whether a particular relationship qualifies for hedge accounting, we test effectiveness at inception and each reporting period thereafter by determining whether changes in the fair value of the derivative offset, within a specified range, changes in the fair value of the hedged item. If fair value changes fail this test, we discontinue applying hedge accounting to that relationship prospectively. Fair values of both the derivative instrument and the hedged item are calculated using internal valuation models incorporating market-based assumptions, subject to third-party confirmation, as applicable. See Note 20 for further information.

DEFERRED INCOME TAXES. Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carryforwards, and are stated at enacted tax rates expected to be in effect when those taxes are paid or recovered. Deferred income tax assets represent amounts available to reduce income taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent we consider it more likely than not that a deferred tax asset will not be recovered, a valuation allowance is established. Deferred taxes, as needed, are provided for our investment in affiliates and associated companies when we plan to remit those earnings. See Note 14 for further information.

INSURANCE LIABILITIES AND ANNUITY BENEFITS. Our run-off insurance operations include providing insurance and reinsurance for life and health risks and providing certain annuity products. Primary product types include long-term care, structured settlement annuities, life and disability insurance contracts and investment contracts. Insurance contracts are contracts with significant mortality and/or morbidity risks, while investment contracts are contracts without such risks.

Liabilities for traditional long-duration insurance contracts include both future policy benefit reserves and claims reserves. Future policy benefit reserves represent the present value of future policy benefits less the present value of future gross premiums based on actuarial assumptions. Liabilities for investment contracts equal the account value, that is, the amount that accrues to the benefit of the contract or policyholder including credited interest and assessments through the financial statement date.

Claim reserves are established when a claim is incurred or is estimated to have been incurred and represent our best estimate of the present value of the ultimate obligations for future claim payments and claim adjustments expenses.

To the extent that unrealized gains on specific investment securities supporting our insurance contracts would result in a premium deficiency, should those gains be realized, an increase in future policy benefit reserves is recorded, with an offsetting after-tax reduction to net unrealized gains recorded in other comprehensive income.

Reinsurance recoverables are recorded when we cede insurance risk to third parties but are not relieved from our primary obligation to policyholders and cedents. When losses on ceded risks give rise to claims for recovery, we establish allowances for probable losses on such receivables from reinsurers as required. See Note 11 for further information.

POSTRETIREMENT BENEFIT PLANS. We sponsor a number of pension and retiree health and life insurance benefit plans that we present in three categories, principal pension plans, other pension plans and principal retiree benefit plans. We use a December 31 measurement date for these plans. On our Statement of Financial Position, we measure our plan assets at fair value and the obligations at the present value of the estimated payments to plan participants. Participants earn benefits based on their service and pay. Those estimated future payment amounts are determined based on assumptions. Differences between our actual results and what we assumed are recorded in a separate component of equity each period. These differences are amortized into earnings over the remaining average future service of active employees or the expected life of inactive participants, as applicable, who participate in the plan. See Note 12 for further information.

LOSS CONTINGENCIES. Loss contingencies are uncertain and unresolved matters that arise in the ordinary course of business and result from events or actions by others that have the potential to result in a future loss. Such contingencies include, but are not limited to environmental obligations, litigation, regulatory investigations and proceedings, product quality and losses resulting from other events and developments. When a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there appears to be a range of possible costs with equal likelihood, liabilities are based on the low-end of such range. Disclosure is provided for material loss contingencies when a loss is probable but a reasonable estimate cannot be made, and when it is reasonably possible that a loss will be incurred or the amount of a loss will exceed the recorded provision. We regularly review contingencies to determine whether the likelihood of loss has changed and to assess whether a reasonable estimate of the loss or range of loss can be made. See Note 22 for further information.

SUPPLY CHAIN FINANCE PROGRAMS. We evaluate supply chain finance programs to ensure where we use a third-party intermediary to settle our trade payables, their involvement does not change the nature, existence, amount, or timing of our trade payables and does not provide the Company with any direct economic benefit. If any characteristics of the trade payables change or we receive a direct economic benefit, we reclassify the trade payables as borrowings.

FAIR VALUE MEASUREMENTS. The following sections describe the valuation methodologies we use to measure financial and non-financial instruments accounted for at fair value including certain assets within our pension plans and retiree benefit plans. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These inputs establish a fair value hierarchy: Level 1 – Quoted prices for identical instruments in active markets; Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable; and Level 3 – Significant inputs to the valuation model are unobservable.

RECURRING FAIR VALUE MEASUREMENTS. For financial assets and liabilities measured at fair value on a recurring basis, primarily investment securities and derivatives, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. See Note 19 for further information.

Debt Securities. When available, we use quoted market prices to determine the fair value of debt securities which are included in Level 1. For our remaining debt securities, we obtain pricing information from an independent pricing vendor. The inputs and assumptions to the pricing vendor's models are derived from market observable sources including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other market-related data. These investments are included in Level 2. Our pricing vendors may also provide us with valuations that are based on significant unobservable inputs, and in those circumstances, we classify the investment securities in Level 3.

Annually, we conduct reviews of our primary pricing vendor to validate that the inputs used in that vendor's pricing process are deemed to be market observable as defined in the standard. We believe that the prices received from our pricing vendor are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy. We use non-binding broker quotes and other third-party pricing services as our primary basis for valuation when there is limited, or no, relevant market activity for a specific instrument or for other instruments that share similar characteristics. Debt securities priced in this manner are included in Level 3.

Equity securities with readily determinable fair values. These publicly traded equity securities are valued using quoted prices and are included in Level 1.

Derivatives. The majority of our derivatives are valued using internal models. The models maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and commodities. Derivative assets and liabilities included in Level 2 primarily represent interest rate swaps, cross-currency swaps and foreign currency and commodity forward and option contracts.

Investments in private equity, real estate and collective funds held within our pension plans. Most investments are generally valued using the net asset value (NAV) per share as a practical expedient for fair value provided certain criteria are met. The NAVs are determined based on the fair values of the underlying investments in the funds. Investments that are measured at fair value using the NAV practical expedient are not required to be classified in the fair value hierarchy. Investments classified within Level 3 primarily relate to real estate and private equities which are valued using unobservable inputs, primarily by discounting expected future cash flows, using comparative market multiples, third-party pricing sources, or a combination of these approaches as appropriate. See Note 12 for further information.

NONRECURRING FAIR VALUE MEASUREMENTS. Certain assets are measured at fair value on a nonrecurring basis. These assets may include loans and long-lived assets reduced to fair value upon classification as held for sale, impaired loans based on the fair value of the underlying collateral, impaired equity securities without readily determinable fair value, equity method investments and long-lived assets, and remeasured retained investments in formerly consolidated subsidiaries upon a change in control that results in the deconsolidation of that subsidiary and retention of a noncontrolling stake in the entity. Assets written down to fair value when impaired and retained investments are not subsequently adjusted to fair value unless further impairment occurs.

Equity investments without readily determinable fair value and Associated companies. Equity investments without readily determinable fair value and associated companies are valued using market observable data such as transaction prices when available. When market observable data is unavailable, investments are valued using either a discounted cash flow model, comparative market multiples, third-party pricing sources or a combination of these approaches as appropriate. These investments are generally included in Level 3.

Long-lived Assets. Fair values of long-lived assets are primarily derived internally and are based on observed sales transactions for similar assets. In other instances for which we do not have comparable observed sales transaction data, collateral values are developed internally and corroborated by external appraisal information. Adjustments to third-party valuations may be performed in circumstances where market comparables are not specific to the attributes of the specific collateral or appraisal information may not be reflective of current market conditions due to the passage of time and the occurrence of market events since receipt of the information.

ACCOUNTING CHANGES. On January 1, 2021, we adopted ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU removes certain exceptions from the guidance in ASC 740 related to intra-period tax allocations, interim calculations and the recognition of deferred tax liabilities for outside basis differences and clarifies and simplifies several other aspects of accounting for income taxes. Different transition methods apply to the various income tax simplifications. For the changes requiring a retrospective or modified retrospective transition, the adoption of the new standard did not have a material impact to our financial statements.

On January 1, 2020, we adopted ASU No. 2016-13, *Financial Instruments - Credit Losses*. ASU 2016-13 requires us to prospectively record an allowance for credit losses for the current expected credit losses inherent in the asset over its expected life, replacing the incurred loss model that recognized losses only when they became probable and estimable. We recorded a $221 million increase in our allowance for credit losses and a $175 million decrease to retained earnings, net of tax, reflecting the cumulative effect on retained earnings.

NOTE 2. BUSINESSES HELD FOR SALE AND DISCONTINUED OPERATIONS. On December 1, 2021, we completed the sale of GE's share of our boiler manufacturing business in China in our Power segment. In connection with the transaction, we recorded a loss on the disposal of this business of $170 million in Other income in our Statement of Earnings (Loss). See Note 18 for further information.

On March 31, 2020, we completed the sale of our BioPharma business within our Healthcare segment for total consideration of $21,112 million (after certain working capital adjustments) and incurred $185 million of cash payments directly associated with the transaction. As a result, in 2020, we recognized a pre-tax gain of $12,362 million ($11,213 million after-tax) in our Statement of Earnings (Loss).

DISCONTINUED OPERATIONS primarily comprise our GE Capital Aviation Services (GECAS) business, discontinued in 2021, our mortgage portfolio in Poland, and other trailing assets and liabilities associated with prior dispositions. Results of operations, financial position and cash flows for these businesses are reported as discontinued operations for all periods presented and the notes to the financial statements have been adjusted on a retrospective basis.

GECAS. On November 1, 2021 we completed the combination of our GECAS business with AerCap for total consideration consisting of $22,583 million subject to future closing adjustments, 111.5 million shares of AerCap common stock (approximately 46% ownership interest) valued at approximately $6,583 million based on AerCap's closing share price of $59.04 on October 29, 2021, and a $1,000 million AerCap senior note with an interest rate of 1.899% and a maturity date of November 1, 2025. In connection with the closing of the transaction, the Company recorded a non-cash pre-tax loss of $3,312 million ($3,882 million after-tax) in discontinued operations. Additionally, we have elected to prospectively measure our investment in AerCap at fair value and expect to fully monetize our stake over time.

We have continuing involvement with AerCap, primarily through our ownership interest, ongoing sales or leases of products and services, and transition services that we provide to AerCap. For the year ended December 31, 2021, we had direct and indirect sales of $29 million and purchases of $22 million with AerCap, primarily related to engine sales through airframers and engine leases, respectively.

Baker Hughes (BKR). In September 2019, we reduced our ownership percentage in Baker Hughes from 50.2% to 36.8%. As a result, we deconsolidated our Baker Hughes segment and recognized a loss of $8,715 million ($8,238 million after-tax) in discontinued operations. We have continuing involvement with BKR primarily through our remaining interest, ongoing purchases and sales of products and services, transition services that we provide to BKR, as well as an aeroderivative joint venture (JV) we formed with BKR in the fourth quarter of 2019. The JV is a 50-50 joint venture between GE and BKR and was consolidated by GE due to the significance of our investment in BKR. In the fourth quarter of 2021, our investment in BKR fell below 20%, and we deconsolidated the JV. We recognized a pre-tax gain of $71 million in continuing operations in Other income in our Statement of Earnings (Loss) as a result of deconsolidation.

For the year ended December 31, 2021, we had sales of $716 million and purchases of $218 million with BKR for products and services outside of the JV. We collected net cash of $631 million from BKR related to sales, purchases and transition services. For the year ended December 31, 2021, we had sales of $364 million to BKR for products and services from the JV, and we collected cash of $489 million. The deconsolidation of the JV is not expected to have a material impact on Cash from operating activities (CFOA). In addition, for the year ended December 31, 2021, we received $39 million of repayments on the promissory note receivable from BKR and dividends of $173 million on our investment.

Transportation. In February 2019, we completed the spin-off and subsequent merger of our Transportation business with Wabtec. As a result, we recorded a gain of $3,471 million ($2,508 million after-tax) in discontinued operations.

Bank BPH. The mortgage portfolio in Poland (Bank BPH) comprises floating rate residential mortgages, 87% of which are indexed to or denominated in foreign currencies (primarily Swiss francs). At December 31, 2021, the total portfolio had a carrying value, net of reserves, of $1,799 million with a 2.05% 90-day delinquency rate and an average loan to value ratio of approximately 58.0%. The portfolio is recorded at the lower of cost or fair value, less cost to sell, which reflects market yields as well as estimates with respect to ongoing litigation in Poland related to foreign currency-denominated mortgages and other factors. Loss from discontinued operations for the year ended December 31, 2021 included $509 million non-cash pre-tax charges, reflecting estimates with respect to ongoing litigation as well as market yields. To ensure appropriate capital levels, during the fourth quarter of 2021, we made a capital contribution of $360 million into Bank BPH. Future changes in the estimated legal liabilities or market yields could result in further losses and capital contributions related to these loans in future reporting periods. See Note 22 for further information.

RESULTS OF DISCONTINUED OPERATIONS

For the year ended December 31, 2021	GECAS	Baker Hughes	Transportation	Other	Total
Total revenues	$ —	$ —	$ —	$ —	$ —
Cost of equipment and services sold	(398)	—	—	—	(398)
Other income, costs and expenses	1,992	(10)	(6)	(584)	1,393
Earnings (loss) of discontinued operations before income taxes	1,594	(10)	(6)	(584)	995
Benefit (provision) for income taxes	(258)	2	(1)	(78)	(335)
Earnings (loss) of discontinued operations, net of taxes(a)	1,336	(8)	(6)	(662)	660
Gain (loss) on disposal before income taxes	(3,312)	4	—	61	(3,246)
Benefit (provision) for income taxes	(570)	—	—	(38)	(608)
Gain (loss) on disposal, net of taxes	(3,882)	4	—	23	(3,855)
Earnings (loss) from discontinued operations, net of taxes	$ (2,546)	$ (4)	$ (6)	$ (639)	$ (3,195)

For the year ended December 31, 2020	GECAS	Baker Hughes	Transportation	Other	Total
Total revenues	$ —	$ —	$ —	$ —	$ —
Cost of equipment and services sold	(2,555)	—	—	—	(2,555)
Other income, costs and expenses	1,781	2	—	(197)	1,586
Earnings (loss) of discontinued operations before income taxes	(773)	2	1	(197)	(968)
Benefit (provision) for income taxes	(13)	(13)	9	105	89
Earnings (loss) of discontinued operations, net of taxes(a)	(786)	(10)	9	(93)	(879)
Gain (loss) on disposal before income taxes	—	(23)	(12)	3	(31)
Benefit (provision) for income taxes	—	—	—	(1)	(1)
Gain (loss) on disposal, net of taxes	—	(23)	(12)	2	(32)
Earnings (loss) from discontinued operations, net of taxes	$ (786)	$ (33)	$ (2)	$ (90)	$ (911)

For the year ended December 31, 2019	GECAS	Baker Hughes	Transportation	Other	Total
Total revenues	$ —	$ 16,047	$ 550	$ —	$ 16,598
Cost of equipment and services sold	(2,069)	(13,317)	(478)	—	(15,863)
Other income, costs and expenses	3,272	(2,390)	(18)	(208)	656
Earnings (loss) of discontinued operations before income taxes	1,204	340	54	(208)	1,390
Benefit (provision) for income taxes	(175)	(176)	(15)	344	(21)
Earnings (loss) of discontinued operations, net of taxes(a)	1,029	165	39	135	1,369
Gain (loss) on disposal before income taxes	—	(8,715)	3,471	61	(5,183)
Benefit (provision) for income taxes	—	477	(963)	(5)	(491)
Gain (loss) on disposal, net of taxes	—	(8,238)	2,508	56	(5,675)
Earnings (loss) from discontinued operations, net of taxes	$ 1,029	$ (8,074)	$ 2,547	$ 191	$ (4,306)

(a) Earnings (loss) of discontinued operations from GECAS operations included $359 million, $2,545 million and $2,048 million of depreciation and amortization for the years ended December 31, 2021, 2020 and 2019, respectively. GECAS depreciation and amortization ceased on March 10, 2021.

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS	December 31, 2021	December 31, 2020
Cash, cash equivalents and restricted cash	$ 736	$ 623
Financing receivables - net	—	2,710
Financing receivables held for sale (Polish mortgage portfolio)	1,799	2,461
Property, plant, and equipment - net	88	28,429
All other assets	554	6,527
Assets of discontinued operations(a)	$ 3,177	$ 40,749
Deferred income taxes	—	2,172
Accounts payable and all other liabilities	887	3,714
Liabilities of discontinued operations(a)	$ 887	$ 5,886

(a) Included zero and $37,199 million of assets and zero and $4,997 million of liabilities for GECAS as of December 31, 2021 and 2020, respectively.

NOTE 3. INVESTMENT SECURITIES. All of our debt securities are classified as available-for-sale and substantially all are investment-grade supporting obligations to annuitants and policyholders in our run-off insurance operations. On November 1, 2021, we received 111.5 million ordinary shares of AerCap (approximately 46% ownership interest) and an AerCap senior note as partial consideration in conjunction with the GECAS transaction, for which we have adopted the fair value option. Our investment in BKR comprises 166.6 million shares (approximately 16% ownership interest) as of December 31, 2021. Both our AerCap and BKR investments are recorded as Equity securities with readily determinable fair values. We classify investment securities as current or non-current based on our intent regarding the usage of proceeds from those investments. Investment securities held within insurance entities are classified as non-current as they support the long-duration insurance liabilities.

	December 31, 2021				December 31, 2020			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Equity and note (AerCap)	$ —	$ —	$ —	$ 8,287	$ —	$ —	$ —	$ —
Equity (Baker Hughes)	—	—	—	4,010	—	—	—	7,319
Current investment securities	$ —	$ —	$ —	$ 12,297	$ —	$ —	$ —	$ 7,319
Debt								
U.S. corporate	$ 25,182	$ 5,502	$ (33)	$ 30,652	$ 23,604	$ 6,651	$ (26)	$ 30,230
Non-U.S. corporate	2,361	343	(4)	2,701	2,283	458	(1)	2,740
State and municipal	2,639	573	(6)	3,205	3,387	878	(9)	4,256
Mortgage and asset-backed	3,950	117	(47)	4,019	3,652	171	(71)	3,752
Government and agencies	1,086	104	(2)	1,188	1,169	184	—	1,353
Other equity	443	—	—	443	218	—	—	218
Non-current investment securities	$ 35,662	$ 6,639	$ (92)	$ 42,209	$ 34,313	$ 8,342	$ (106)	$ 42,549

The amortized cost of debt securities excludes accrued interest of $415 million and $414 million as of December 31, 2021 and 2020, respectively, which is reported in All other current assets.

The estimated fair value of investment securities at December 31, 2021 increased since December 31, 2020, primarily due to the classification of our new equity interest in AerCap within investment securities and new insurance investments, partially offset by the sales of BKR shares and higher market yields.

Total estimated fair value of debt securities in an unrealized loss position were $3,446 million and $1,765 million, of which $644 million and $165 million had gross unrealized losses of $(42) million and $(20) million and had been in a loss position for 12 months or more at December 31, 2021 and 2020, respectively. Gross unrealized losses of $(92) million at December 31, 2021 included $(33) million related to U.S. corporate securities and $(32) million related to commercial mortgage-backed securities (CMBS). The majority of our CMBS in an unrealized loss position have received investment-grade credit ratings from the major rating agencies and are collateralized by pools of commercial mortgage loans on real estate.

Net unrealized gains (losses) for equity securities with readily determinable fair values, which are recorded in Other income within continuing operations, were $1,656 million, $(1,670) million and $800 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Proceeds from debt and equity securities sales, early redemptions by issuers and principal payments on the BKR promissory note totaled $6,666 million, $5,060 million and $7,967 million for the years ended December 31, 2021, 2020 and 2019, respectively. Gross realized gains on debt securities were $69 million, $173 million and $114 million for the years ended December 31, 2021, 2020 and 2019, respectively. Gross realized losses and impairments on debt securities were $(11) million, $(68) million and $(60) million for the years ended December 31, 2021, 2020 and 2019, respectively.

Our run-off Insurance business cash flows are subject to regulatory restrictions. Associated purchases, dispositions and maturities of investment securities are as follows:

For the years ended December 31		2021	2020
Purchases of investment securities	$	(4,286) $	(6,031)
Dispositions and maturities of investment securities		2,997	4,679
Net (purchases) dispositions of insurance investment securities	$	(1,290) $	(1,352)

Contractual maturities of our debt securities (excluding mortgage and asset-backed securities) at December 31, 2021 are as follows:

		Amortized cost		Estimated fair value
Within one year	$	358	$	363
After one year through five years		3,475		3,778
After five years through ten years		6,278		7,287
After ten years		21,158		26,318

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

In addition to the equity securities described above, we hold $441 million and $274 million of equity securities without readily determinable fair values at December 31, 2021 and 2020, respectively, that are classified within non-current All other assets in our Statement of Financial Position. Fair value adjustments, including impairments, recorded in earnings were $46 million, $(141) million and $7 million for the years ended December 31, 2021, 2020 and 2019, respectively.

NOTE 4. CURRENT AND LONG-TERM RECEIVABLES

CURRENT RECEIVABLES

December 31		2021		2020
Aviation	$	4,476	$	4,417
Healthcare		3,033		2,336
Renewable Energy		1,847		2,401
Power		3,490		3,995
Corporate		233		310
Customer receivables	$	13,079	$	13,459
Non-income based tax receivables		1,222		1,346
Revenue sharing program receivables		1,166		1,038
Supplier advances		596		676
Deferred purchase price on receivables facility		—		413
Receivables from disposed businesses		148		242
Other sundry receivables		483		678
Sundry receivables		3,615		4,395
Allowance for credit losses(a)		(1,074)		(1,164)
Total current receivables	$	15,620	$	16,691

(a) Allowance for credit losses decreased primarily due to write-offs and foreign currency impact, partially offset by net new provisions of $150 million.

Sales of current customer receivables. Effective April 1, 2021, we discontinued the majority of our factoring programs and subsequently announced the discontinuation of our remaining unconsolidated receivables facility effective in the fourth quarter of 2021. The remaining balance related to these discontinued programs was $161 million as of December 31, 2021. As shown in the table below, WCS no longer holds any GE business receivables. Customer receivables held by WCS and third parties were $3,134 million and $2,582 million, respectively, at March 31, 2021. When GE businesses sell customer receivables to WCS or third parties, they accelerate the receipt of cash that would otherwise have been collected from customers. In any given period, the amount of cash received from sales of customer receivables compared to the cash GE would have otherwise collected had those customer receivables not been sold represents the cash generated or used in the period relating to this activity. As of December 31, 2020, GE businesses sold approximately 40% of their gross customer receivables to WCS or third parties. Separately from the factoring programs that have been discontinued, the Company from time to time sells current or long-term receivables to third parties in response to customer-sponsored requests or programs, to facilitate sales, or for risk mitigation purposes. Activity related to customer receivables sold by GE businesses is as follows:

	2021 WCS	2021 Third Parties	2020 WCS	2020 Third Parties
Balance at January 1	$ 3,618	$ 2,992	$ 3,087	$ 6,757
GE businesses sales to WCS	13,773	—	32,869	—
GE businesses sales to third parties	—	1,415 (a)	—	863
WCS sales to third parties	(10,816)	10,816	(18,654)	18,654
Collections and other	(6,676)	(15,062)	(14,004)	(23,283)
Reclassification from long-term customer receivables	100	—	321	—
Balance at December 31	$ —	$ 161	$ 3,618	$ 2,992

(a) Related primarily to our participation in customer-sponsored supply chain finance programs. Within these programs, the Company has no continuing involvement, fees associated with the transferred receivables are covered by the customer and cash is received at the original invoice due date.

LONG-TERM RECEIVABLES

December 31	2021	2020
Long-term customer receivables	$ 521	$ 585
Financing receivables	592	713
Supplier advances	309	351
Non-income based tax receivables	245	244
Receivables from disposed businesses	150	230
Sundry receivables	440	569
Allowance for credit losses	(160)	(174)
Total long-term receivables	$ 2,097	$ 2,518

UNCONSOLIDATED RECEIVABLES FACILITIES. In the fourth quarter of 2021, we discontinued our one remaining revolving receivables facility, under which customer receivables purchased from GE businesses were sold to third parties. Upon the sale of receivables, we received proceeds of cash and deferred purchase price and the Company's remaining risk with respect to the sold receivables was limited to the balance of the deferred purchase price. As a result of our termination and settlement of the facility, there are no remaining receivables in the facility and the balance of our deferred purchase price was reduced to zero.

Activity related to our unconsolidated receivables facilities is included in the WCS sales to third parties line in the sales of GE businesses current customer receivables table above and is as follows:

For the years ended December 31	2021	2020
Customer receivables sold to receivables facilities	$ 9,324	$ 13,591
Collections and other on receivables sold to receivables facilities	11,371	15,515
Total cash purchase price for customer receivables	8,683	13,031
Cash collections re-invested to purchase customer receivables	7,920	11,567
Non-cash increases to deferred purchase price	$ 608	$ 481
Cash payments received on deferred purchase price	597	489

CONSOLIDATED SECURITIZATION ENTITIES. GE consolidated two variable interest entities (VIEs) that purchased customer receivables and long-term customer receivables from GE businesses prior to the April 1, 2021 discontinuation of the majority of the Company's factoring programs. At December 31, 2021, there were no remaining assets or liabilities in these entities. At December 31, 2020, these VIEs held current customer receivables of $1,489 million and long-term customer receivables of $93 million. At December 31, 2020, the outstanding non-recourse debt under their respective debt facilities was $892 million.

NOTE 5. INVENTORIES, INCLUDING DEFERRED INVENTORY COSTS

	December 31, 2021	December 31, 2020
Raw materials and work in process	$ 8,710	$ 7,937
Finished goods	4,927	5,654
Deferred inventory costs(a)	2,210	2,299
Inventories, including deferred inventory costs	$ 15,847	$ 15,890

(a) Represents cost deferral for shipped goods (such as components for wind turbine assemblies within our Renewable Energy segment) and labor and overhead costs on time and material service contracts (primarily originating in Power and Aviation) and other costs for which the criteria for revenue recognition has not yet been met.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT AND OPERATING LEASES

	Depreciable lives	Original Cost		Net Carrying Value	
December 31	(in years)	2021	2020	2021	2020
Land and improvements	8	$ 585	$ 602	$ 576	$ 592
Buildings, structures and related equipment	8 - 40	8,311	8,295	3,728	3,841
Machinery and equipment	4 - 20	21,036	21,151	7,356	7,968
Leasehold costs and manufacturing plant under construction	1 - 10	1,971	2,051	1,343	1,447
ROU operating lease assets				2,606	2,852
Property, plant and equipment - net		$ 31,904	$ 32,098	$ 15,609	$ 16,699

In the third quarter of 2020, we recognized a non-cash pre-tax impairment charge of $316 million related to property, plant and equipment at our Steam business within our Power segment due to our announcement to exit the new build coal power market. We determined the fair value of these assets using an income approach. This charge was recorded by Corporate in Selling, general, and administrative expenses in our Statement of Earnings (Loss).

Operating Lease Liabilities. Our consolidated operating lease liabilities, included in All other liabilities in our Statement of Financial Position, were $2,848 million and $3,195 million, as of December 31, 2021 and 2020, respectively. Substantially all of our operating leases have remaining lease terms of 14 years or less, some of which may include options to extend.

OPERATING LEASE EXPENSE	2021	2020	2019
Long-term (fixed)	$ 770	$ 827	$ 893
Long-term (variable)	119	143	175
Short-term	192	206	201
Total operating lease expense	$ 1,081	$ 1,176	$ 1,269

MATURITY OF LEASE LIABILITIES	2022	2023	2024	2025	2026	Thereafter	Total
Undiscounted lease payments	$ 729	$ 620	$ 504	$ 353	$ 262	$ 821	$ 3,289
Less: imputed interest							442
Total lease liability as of December 31, 2021							$ 2,848

SUPPLEMENTAL INFORMATION RELATED TO OPERATING LEASES	2021	2020	2019
Operating cash flows used for operating leases	$ 834	$ 835	$ 961
Right-of-use assets obtained in exchange for new lease liabilities	603	594	739
Weighted-average remaining lease term	7.2 years	6.7 years	7.1 years
Weighted-average discount rate	4.0 %	4.6 %	4.9 %

NOTE 7. ACQUISITIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

ACQUISITIONS. On December 21, 2021 our Healthcare business acquired BK Medical, a leader in surgical ultrasound imaging and guidance technology, for $1,455 million. The preliminary purchase price allocation resulted in goodwill of approximately $1,020 million and amortizable intangible assets of approximately $393 million. The allocation of the purchase price will be finalized upon completion of post-closing procedures.

CHANGES IN GOODWILL BALANCES

	Balance at December 31, 2019	2020 Acquisitions	2020 Impairments	2020 Currency exchange and other	Balance at December 31, 2020	2021 Acquisitions	2021 Currency exchange and other	Balance at December 31, 2021
Aviation	$ 9,859	$ —	$ (877)	$ 266	$ 9,247	$ —	$ (234)	$ 9,013
Healthcare	11,728	89	—	37	11,855	1,064	(40)	12,879
Renewable Energy	3,290	—	—	111	3,401	—	(169)	3,231
Power	145	—	—	—	146	—	(1)	145
Corporate(a)	873	—	—	2	876	43	(4)	914
Total	$ 25,895	$ 90	$ (877)	$ 417	$ 25,524	$ 1,106	$ (448)	$ 26,182

(a) Corporate balance at December 31, 2021 and 2020 comprises our Digital business.

In the fourth quarter of 2021, we performed our annual impairment test. Based on the results of this test, the fair values of each of our reporting units exceeded their carrying values. In the second quarter of 2020, we recognized a non-cash goodwill impairment loss in our Additive reporting unit in our Aviation segment of $877 million in the caption Goodwill impairments in our Statement of Earnings (Loss).

Determining the fair value of reporting units requires the use of estimates and significant judgments that are based on a number of factors including actual operating results. It is reasonably possible that the judgments and estimates described above could change in future periods.

INTANGIBLE ASSETS SUBJECT TO AMORTIZATION December 31	Useful lives (in years)	2021 Gross carrying amount	2021 Accumulated amortization	2021 Net	2020 Gross carrying amount	2020 Accumulated amortization	2020 Net
Customer-related(a)	3-35	$ 6,400	$ (3,250)	$ 3,150	$ 6,765	$ (3,350)	$ 3,415
Patents and technology	2-25	8,592	(4,361)	4,230	8,191	(4,135)	4,056
Capitalized software	3-10	5,764	(3,999)	1,765	5,822	(3,836)	1,986
Trademarks & other	3-50	449	(313)	136	541	(328)	213
Total		$ 21,205	$ (11,923)	$ 9,282	$ 21,319	$ (11,648)	$ 9,671

(a) Balance includes payments made to our customers, primarily within our Aviation business.

Substantially all other intangible assets are subject to amortization. Intangible assets decreased $388 million in 2021, primarily as a result of amortization partially offset by the acquisition of patents and technology and capitalized software mainly at Aviation and Healthcare of $945 million. Consolidated amortization expense was $1,138 million, $1,336 million and $1,523 million for the years ended December 31, 2021, 2020 and 2019, respectively.

In the third quarter of 2020, we recognized a non-cash pre-tax impairment charge of $113 million related to intangible assets at our Steam business within our Power segment due to our announcement to exit the new build coal power market. We determined the fair value of these intangible assets using an income approach. This charge was recorded by Corporate in Selling, general, and administrative expenses in our Statement of Earnings (Loss).

Estimated consolidated annual pre-tax amortization for intangible assets over the next five calendar years are as follows:

ESTIMATED 5 YEAR CONSOLIDATED AMORTIZATION	2022	2023	2024	2025	2026
Estimated annual pre-tax amortization	$ 1,234	$ 1,158	$ 1,075	$ 999	$ 925

During 2021, we recorded additions to intangible assets subject to amortization of $1,008 million with a weighted-average amortizable period of 9.0 years, including patents and technology of $639 million, with a weighted-average amortizable period of 10.4 years.

NOTE 8. CONTRACT AND OTHER DEFERRED ASSETS & PROGRESS COLLECTIONS AND DEFERRED INCOME

Contract and other deferred assets decreased $647 million in the year ended December 31, 2021 primarily due to decreased long-term service agreements and the timing of billing milestones ahead of revenue recognition on long-term equipment contracts, partially offset by increased customer advances and other. Our long-term service agreements decreased primarily due to billings of $9,967 million, offset by revenues recognized of $9,480 million, a net unfavorable change in estimated profitability of $321 million at Aviation and a net favorable change in estimated profitability of $44 million at Power.

December 31, 2021	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
Revenues in excess of billings	$ 2,478	$ —	$ —	$ 5,495	$ —	$ 7,972
Billings in excess of revenues	(5,731)	—	—	(1,614)	—	(7,346)
Long-term service agreements	$ (3,253)	$ —	$ —	$ 3,880	$ —	$ 627
Short-term and other service agreements	340	166	87	80	20	692
Equipment contract revenues	33	287	1,297	1,709	236	3,562
Current contract assets	$ (2,881)	$ 453	$ 1,384	$ 5,669	$ 256	$ 4,881
Nonrecurring engineering costs	2,479	31	28	12	—	2,550
Customer advances and other	2,620	154	—	801	—	3,574
Non-current contract and other deferred assets	$ 5,099	$ 184	$ 28	$ 813	$ —	$ 6,124
Total contract and other deferred assets	$ 2,218	$ 637	$ 1,412	$ 6,482	$ 256	$ 11,005
December 31, 2020						
Revenues in excess of billings	$ 3,072	$ —	$ —	$ 5,282	$ —	$ 8,354
Billings in excess of revenues	(5,375)	—	—	(1,640)	—	(7,015)
Long-term service agreements	$ (2,304)	$ —	$ —	$ 3,642	$ —	$ 1,338
Short-term and other service agreements	282	173	106	129	29	719
Equipment contract revenues	59	306	1,127	2,015	201	3,707
Current contract assets	$ (1,963)	$ 479	$ 1,233	$ 5,786	$ 229	$ 5,764
Nonrecurring engineering costs	2,409	31	34	16	—	2,490
Customer advances and other	2,481	128	—	822	(32)	3,398
Non-current contract and other deferred assets	$ 4,889	$ 159	$ 34	$ 838	$ (32)	$ 5,888
Total contract and other deferred assets	$ 2,927	$ 638	$ 1,268	$ 6,623	$ 197	$ 11,653

Progress collections and deferred income. Progress collections represent cash received from customers under ordinary commercial payment terms in advance of delivery. Progress collections on equipment contracts primarily comprise milestone payments received from customers prior to the manufacture and delivery of customized equipment orders. Other progress collections primarily comprise down payments from customers to reserve production slots for standardized inventory orders such as advance payments from customers when they place orders for wind turbines and blades within our Renewable Energy segment and payments from airframers and airlines for install and spare engines, respectively, within our Aviation segment.

Progress collections and deferred income decreased $811 million primarily due to the timing of revenue recognition in excess of new collections received, primarily at Renewable Energy and Aviation. Revenues recognized for contracts included in a liability position at the beginning of the year were $14,569 million and $12,712 million for the years ended December 31, 2021 and 2020, respectively.

December 31, 2021	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
Progress collections on equipment contracts	$ 142	$ —	$ 1,843	$ 5,198	$ —	$ 7,183
Other progress collections	4,469	522	2,866	385	111	8,354
Current deferred income	170	1,336	198	33	99	1,835
Progress collections and deferred income	$ 4,782	$ 1,858	$ 4,907	$ 5,615	$ 210	$ 17,372
Non-current deferred income	1,090	592	194	110	3	1,989
Total Progress collections and deferred income	$ 5,871	$ 2,450	$ 5,101	$ 5,725	$ 213	$ 19,361
December 31, 2020						
Progress collections on equipment contracts	$ 214	$ —	$ 1,229	$ 4,918	$ —	$ 6,362
Other progress collections	4,623	414	4,604	458	152	10,252
Current deferred income	132	1,309	194	17	105	1,757
Progress collections and deferred income	$ 4,969	$ 1,724	$ 6,028	$ 5,393	$ 257	$ 18,371
Non-current deferred income	898	564	214	116	10	1,801
Total Progress collections and deferred income	$ 5,867	$ 2,288	$ 6,241	$ 5,509	$ 267	$ 20,172

NOTE 9. ALL OTHER ASSETS

December 31		2021		2020
Derivative instruments (Note 20)	$	684	$	487
Assets held for sale		208		212
Prepaid taxes and deferred charges		341		408
Cash collateral on derivatives		76		812
Accrued interest and investment income		426		538
Other		199		202
All other current assets	$	1,933	$	2,659
Equity method and other investments		7,840		6,383
Long-term receivables (Note 4)		2,097		2,518
Prepaid taxes and deferred charges		800		800
Insurance receivables		4,705		4,661
Insurance cash and cash equivalents(a)		353		455
Pension surplus		2,784		843
Other		461		366
All other non-current assets	$	19,040	$	16,025
Total All other assets	$	20,973	$	18,684

(a) Cash and cash equivalents in our insurance entities are subject to regulatory restrictions and used for operations of those entities. Therefore, the balance is included in All other assets.

Equity method investments. Unconsolidated entities over which we have significant influence are accounted for as equity method investments and presented on a one-line basis in All other assets on our Statement of Financial Position. Equity method income includes our share of the results of unconsolidated entities, gains (loss) from sales and impairments of investments, which is included in Other income and in Insurance revenues in our Statement of Earnings (Loss). See Note 1 for further information.

	Equity method investment balance				Equity method income (loss)				
December 31		2021		2020		2021		2020	2019
Aviation	$	2,000	$	2,032	$	58	$	(41) $	204
Healthcare		223		251		27		7	19
Renewable Energy		739		724		39		13	(2)
Power		977		576		23		43	(4)
Corporate(a)		3,451		2,517		68		23	48
Total consolidated	$	7,391	$	6,100	$	215	$	46 $	265

(a) Equity method investments within Corporate include investments held by EFS of $1,943 million and $1,816 million and held by our run-off insurance operations of $1,480 million and $669 million as of December 31, 2021 and 2020, respectively.

NOTE 10. BORROWINGS

December 31			2021			2020	
			Amount	Average Rate		Amount	Average Rate
Current portion of long-term borrowings							
Senior notes issued by GE		$	1,249	1.39 %	$	36	5.03 %
Senior and subordinated notes assumed by GE			1,645	2.05 %		2,432	3.49 %
Senior notes issued by GE Capital			1,370	0.63 %		788	1.58 %
Other			97			1,457	
Total short-term borrowings		$	4,361		$	4,713	
	Maturities		Amount	Average Rate		Amount	Average Rate
Senior notes issued by GE	2023-2050	$	5,373	2.87 %	$	18,994	2.90 %
Senior and subordinated notes assumed by GE	2023-2055		11,306	3.73 %		19,957	3.25 %
Senior notes issued by GE Capital	2023-2042		13,274	4.26 %		30,320	3.41 %
Other			870			917	
Total long-term borrowings		$	30,824		$	70,189	
Total borrowings		$	35,186		$	74,902	

The Company has provided a full and unconditional guarantee on the payment of the principal and interest on all senior and subordinated outstanding long-term debt securities issued by subsidiaries of GE Capital. This guarantee applied to $13,719 million and $28,503 million of senior notes and other debt issued by GE Capital at December 31, 2021 and December 31, 2020, respectively.

In the second quarter of 2021, we completed a debt tender to repurchase a total of $7,275 million of debt, comprising $4,084 million of GE-issued debt with maturities ranging from 2022 through 2050, and $3,191 million of GE assumed debt with maturities ranging from 2021 through 2039. In the fourth quarter of 2021, we completed a debt tender to repurchase a total of $25,350 million of debt, comprised of $7,744 million of GE-issued debt with maturities ranging from 2022 through 2050, $4,718 million of GE assumed debt with maturities ranging from 2022 through 2040 and $12,888 million of GE Capital issued debt with maturities ranging from 2022 through 2039.

See Note 20 for further information about borrowings and associated interest rate swaps.

Long-term debt maturities over the next five years follow.

	2022		2023	2024	2025	2026
Debt issued by GE	$ 1,249		$ 482	$ 175	$ 905	$ 31
Debt assumed by GE	1,645		1,627	498	236	1,137
Debt issued by GE Capital	1,370	(a)	1,297	111	700	159

(a) Fixed and floating rate notes of $309 million contain put options with exercise dates in 2022, which have final maturity beyond 2036.

The total interest payments on consolidated borrowings are estimated to be $1,245 million, $1,130 million, $1,081 million, $1,047 million and $1,009 million for 2022, 2023, 2024, 2025 and 2026, respectively.

NOTE 11. INSURANCE LIABILITIES AND ANNUITY BENEFITS. Insurance liabilities and annuity benefits comprise substantially all obligations to annuitants and insureds in our run-off insurance operations. Our insurance operations (net of eliminations) generated revenues of $3,106 million, $2,865 million and $2,802 million, profit (loss) of $566 million, $197 million and $(821) million and net earnings (loss) of $444 million, $143 million and $(663) million for the years ended December 31, 2021, 2020 and 2019, respectively. These operations were supported by assets of $49,894 million and $50,067 million at December 31, 2021 and 2020, respectively. A summary of our insurance contracts is presented below:

December 31, 2021	Long-term care	Structured settlement annuities & life	Other contracts	Other adjustments(a)	Total
Future policy benefit reserves	$ 17,097	$ 8,902	$ 188	$ 3,394	$ 29,581
Claim reserves	4,546	258	585	—	5,389
Investment contracts	—	955	954	—	1,909
Unearned premiums and other	15	184	89	—	287
Total	$ 21,658	$ 10,299	$ 1,815	$ 3,394	$ 37,166
December 31, 2020					
Future policy benefit reserves	$ 16,934	$ 9,207	$ 181	$ 8,160	$ 34,482
Claim reserves	4,393	275	694	—	5,362
Investment contracts	—	1,034	1,016	—	2,049
Unearned premiums and other	19	189	89	—	298
Total	$ 21,346	$ 10,705	$ 1,980	$ 8,160	$ 42,191

(a) The decrease in Other adjustments of $4,766 million is a result of the higher margin resulting from the 2021 premium deficiency test and the decline in unrealized gains on investment securities.

Claim reserve activity included incurred claims of $1,699 million, $1,801 million and $1,873 million, of which $(46) million, $(1) million and $(36) million related to the recognition of adjustments to prior year claim reserves arising from our periodic reserve evaluation in the years ended December 31, 2021, 2020 and 2019, respectively. Paid claims were $1,709 million, $1,728 million and $1,626 million in the years ended December 31, 2021, 2020 and 2019, respectively.

Reinsurance recoveries are recorded as a reduction of insurance losses and annuity benefits in our Statement of Earnings (Loss) and amounted to $351 million, $350 million and $362 million for the years ended December 31, 2021, 2020 and 2019, respectively. Reinsurance recoverables, net of allowances of $1,654 million and $1,510 million, are included in non-current All other assets in our Statement of Financial Position, and amounted to $2,651 million and $2,552 million at December 31, 2021 and 2020, respectively. The vast majority of our remaining net reinsurance recoverables are secured by assets held in a trust for which we are the beneficiary.

2021 Premium Deficiency Testing. We completed our annual premium deficiency testing in the aggregate across our run-off insurance portfolio in the third quarter of 2021. The results of our testing indicated a significant increase in the positive margin to approximately 11% of the related future policy benefit reserves recorded at September 30, 2021. As a result, the assumptions updated in connection with the premium deficiency recognized in 2019 remain locked-in and will remain so unless another premium deficiency occurs in the future. We also noted our projections as of third quarter 2021 indicate the present value of projected earnings in each future year to be positive, and,therefore, no further adjustments to our future policy benefit reserves were required at this time. Considering the results of the 2021 premium deficiency test which resulted in a margin, any future net adverse changes in our assumptions may reduce the margin or result in a premium deficiency requiring an increase to future policy benefit reserves. Any future net favorable changes to these assumptions could result in a lower projected present value of future cash flows and additional margin in our premium deficiency test and higher income over the remaining duration of the portfolio, including higher investment income.

Statutory accounting practices, not GAAP, determine the required statutory capital levels of our insurance legal entities and, therefore, may affect the amount or timing of capital contributions that may be required to our insurance legal entities. Statutory accounting practices are set forth by the National Association of Insurance Commissioners (NAIC) as well as state laws, regulation and general administrative rules and differ in certain respects from GAAP. The 2021 premium deficiency testing described above was performed on a GAAP basis. The adverse impact on our statutory additional actuarial reserves (AAR) arising from our revised assumptions in 2017, including the collectability of reinsurance recoverables, is expected to require approximately $14,500 million additional capital contributions to our run-off insurance operations in 2018—2024. For statutory accounting purposes, the Kansas Insurance Department (KID) approved our request for a permitted accounting practice to recognize the 2017 AAR increase over a seven-year period. We provided capital contributions to our insurance subsidiaries of $2,000 million, $2,000 million, $1,900 million and $3,500 million in the first quarters of 2021, 2020, 2019 and 2018, respectively. We expect to provide further capital contributions of approximately $5,500 million through 2024 (of which approximately $2,000 million is expected to be contributed in the first quarter of 2022 pending completion of our December 31, 2021 statutory reporting process, which includes asset adequacy testing), subject to ongoing monitoring by KID. GE is a party to capital maintenance agreements with its run-off insurance subsidiaries under which GE is required to maintain their statutory capital levels at 300% of their year-end Authorized Control Level risk-based capital requirements as defined from time to time by the NAIC.

NOTE 12. POSTRETIREMENT BENEFIT PLANS

PENSION BENEFITS AND RETIREE HEALTH AND LIFE BENEFITS. We sponsor a number of pension and retiree health and life insurance benefit plans that we present in three categories, principal pension plans, other pension plans and principal retiree benefit plans. Smaller pension plans with pension assets or obligations less than $50 million and other retiree benefit plans are not presented. We use a December 31 measurement date for these plans.

DESCRIPTION OF OUR PLANS

Plan Category		Participants	Funding	Comments
Principal Pension Plans	GE Pension Plan	Covers U.S. participants ~177,000 retirees and beneficiaries, ~88,500 vested former employees and ~24,500 active employees	Our funding policy is to contribute amounts sufficient to meet minimum funding requirements under employee benefit and tax laws. We may decide to contribute additional amounts beyond this level.	This plan has been closed to new participants since 2012. Benefits for ~20,000 employees with salaried benefits were frozen effective January 1, 2021, and thereafter these employees receive increased company contributions in the company sponsored defined contribution plan in lieu of participation in a defined benefit plan (announced 10/2019).
	GE Supplementary Pension Plan	Provides supplementary benefits to higher-level, longer-service U.S. employees	This plan is unfunded. We pay benefits from company cash.	The annuity benefit has been closed to new participants since 2011 and has been replaced by an installment benefit (which was closed to new executives after 2020). Benefits for ~700 employees who became executives before 2011 were frozen effective January 1, 2021, and thereafter these employees accrue the installment benefit.
Other Pension Plans	41 U.S. and non-U.S. pension plans with pension assets or obligations greater than $50 million	Covers ~57,500 retirees and beneficiaries, ~48,000 vested former employees and ~17,500 active employees	Our funding policy is to contribute amounts sufficient to meet minimum funding requirements under employee benefit and tax laws in each country. We may decide to contribute additional amounts beyond this level. We pay benefits for some plans from company cash.	In certain countries, benefit accruals have ceased and/or have been closed to new hires as of various dates.
Principal Retiree Benefit Plans	Provides health and life insurance benefits to certain eligible participants	Covers U.S. participants ~161,000 retirees and dependents and ~22,000 active employees	We fund retiree health benefits on a pay-as-you-go basis and the retiree life insurance trust at our discretion.	Participants share in the cost of the healthcare benefits.

FUNDING STATUS BY PLAN TYPE	Benefit Obligation		Fair Value of Assets		Deficit/(Surplus)	
	2021	2020	2021	2020	2021	2020
Principal Pension Plans:						
GE Pension Plan (subject to regulatory funding)	$ 65,073	$ 68,945	$ 60,990	$58,843	$ 4,083	$ 10,102
GE Supplementary Pension Plan (not subject to regulatory funding)	7,226	7,353	—	—	7,226	7,353
	72,299	76,298	60,990	58,843	11,309	17,455
Other Pension Plans:						
Subject to regulatory funding	19,698	21,793	22,280	21,283	(2,582)	510
Not subject to regulatory funding	2,558	2,865	210	223	2,348	2,642
Principal retiree benefit plans (not subject to regulatory funding)	4,308	5,019	42	134	4,266	4,885
Total plans subject to regulatory funding	84,771	90,738	83,270	80,126	1,501	10,612
Total plans not subject to regulatory funding	14,092	15,237	252	357	13,840	14,880
Total plans	$ 98,863	$105,975	$ 83,522	$80,483	$ 15,341	$ 25,492

FUNDING. The Employee Retirement Income Security Act (ERISA) determines minimum pension funding requirements in the U.S. In December 2020, we made a discretionary contribution of $2,500 million to the GE Pension Plan. No additional contributions were required or made during 2021 and based on our current assumptions, we do not anticipate having to make additional required contributions to the plan in the near future. On an ERISA basis, our estimate is that the GE Pension Plan was 107% and 94% funded at January 1, 2022 and 2021 respectively. The ERISA funded status is higher than the GAAP funded status (94% and 85% funded for 2021 and 2020 respectively) primarily because the ERISA prescribed interest rate for determining liabilities is calculated using a long-term average interest rate.

We expect to pay approximately $350 million for benefit payments under our GE Supplementary Pension Plan and administrative expenses of our principal pension plans and expect to contribute approximately $175 million to other pension plans in 2022. We fund retiree health benefits on a pay-as-you-go basis and the retiree life insurance trust at our discretion. We expect to contribute approximately $380 million in 2022 to fund such benefits.

ACTIONS. We announced that pension benefits for approximately 2,700 United Kingdom (UK) participants will be frozen effective January 1, 2022. We also announced that pension benefits for approximately 800 Canadian participants will be frozen effective December 31, 2023. These transactions are reflected as a curtailment loss in 2021. In December 2020, we transferred obligations of $1,706 million from the GE Pension Plan, representing the benefits of approximately 70,000 of GE's retirees and beneficiaries, to a third-party insurance company by irrevocably committing to purchase group annuity contracts. The transaction was funded directly by the assets of the plan and is reflected as a settlement.

COST OF OUR BENEFITS PLANS AND ASSUMPTIONS	2021			2020			2019		
	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Components of expense (income)									
Service cost - operating	$ 237	$ 233	$ 44	$ 657	$ 243	$ 59	$ 654	$ 246	$ 58
Interest cost	1,951	383	103	2,350	422	150	2,780	542	202
Expected return on plan assets	(3,049)	(1,194)	—	(2,993)	(1,082)	(11)	(3,428)	(1,144)	(21)
Amortization of net loss (gain)	3,483	403	(79)	3,399	434	(82)	3,439	319	(118)
Amortization of prior service cost (credit)	28	(3)	(236)	146	1	(234)	135	3	(232)
Curtailment / settlement loss (gain)	—	76	—	—	12	—	349	13	(38)
Non-operating	$2,413	$ (335)	$ (212)	$2,902	$ (213)	$ (177)	$3,275	$ (267)	$(207)
Net periodic expense (income)	$2,650	$ (102)	$ (168)	$3,559	$ 30	$ (118)	$3,929	$ (21)	$(149)
Weighted-average benefit obligations assumptions									
Discount rate	2.94 %	1.93 %	2.64 %	2.61 %	1.44 %	2.15 %	3.36 %	1.97 %	3.05 %
Compensation increases	3.05	2.35	2.63	2.95	3.06	2.82	2.95	3.16	3.75
Initial healthcare trend rate(a)	N/A	N/A	5.70	N/A	N/A	5.90	N/A	N/A	5.90
Weighted-average benefit cost assumptions									
Discount rate(b)	2.61	1.44	2.15	3.36	1.97	3.05	4.07	2.75	4.12
Expected rate of return on plan assets	6.25	5.69	1.25	6.25	6.10	7.00	6.75	6.76	7.00

(a) For 2021, ultimately declining to 5% for 2030 and thereafter.

(b) Weighted average 2019 discount rate for principal pension was 4.07%. Discount rate was 4.34% for January 1, 2019 through September 30, 2019 and then changed to 3.24% for the remainder of 2019 due to the remeasurement of the plans.

We expect 2022 net periodic benefit income for principal pension, other pension and principal retiree benefit plans to be about $40 million, which is a decrease of approximately $2,420 million in costs from 2021. The decrease is primarily due to expiration of the period over which some large losses from earlier years were being amortized and lower overall amortization of net actuarial losses as a result of actuarial and investment gains during 2021. The components of net periodic benefit costs, other than the service cost component, are included in Non-operating benefit costs in our Statement of Earnings (Loss).

PLAN FUNDED STATUS AND AMOUNTS RECORDED IN ACCUMULATED OTHER COMPREHENSIVE LOSS (INCOME)

	2021			2020		
	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Change in benefit obligations						
Balance at January 1	$ 76,298	$24,658	$ 5,019	$ 71,756	$22,921	$ 5,160
Service cost	237	233	44	657	243	59
Interest cost	1,951	383	103	2,350	422	150
Participant contributions	15	24	60	69	28	63
Plan amendments	—	(1)	—	—	27	(7)
Actuarial loss (gain) - net	(2,448) (a)	(1,561) (a)	(446)	7,057 (a)	1,927 (a)	85
Benefits paid	(3,754)	(998)	(472)	(3,885)	(1,062)	(491)
Curtailments	—	(74)	—	—	(69)	—
Settlements	—	—	—	(1,706) (b)	—	—
Dispositions/ acquisitions / other - net	—	(188)	—	—	(335)	—
Exchange rate adjustments	—	(220)	—	—	556	—
Balance at December 31	$ 72,299 (c)	$22,256	$ 4,308 (d)	$ 76,298 (c)	$24,658	$ 5,019 (d)
Change in plan assets						
Balance at January 1	58,843	21,506	134	52,633	19,142	289
Actual gain (loss) on plan assets	5,559	1,602	41	8,926	2,542	(22)
Employer contributions	327	594	279	2,806	509	295
Participant contributions	15	24	60	69	28	63
Benefits paid	(3,754)	(998)	(472)	(3,885)	(1,062)	(491)
Settlements	—	—	—	(1,706) (b)	—	—
Dispositions/ acquisitions / other - net	—	(138)	—	—	(59)	—
Exchange rate adjustments	—	(100)	—	—	406	—
Balance at December 31	$ 60,990	$22,490	$ 42	$ 58,843	$21,506	$ 134
Funded status - surplus (deficit)	$ (11,309)	$ 234	$ (4,266)	$(17,455)	$ (3,152)	$ (4,885)
Amounts recorded in Statement of Financial Position						
Non-current assets - other	—	2,898	—	—	845	—
Current liabilities - other	(337)	(107)	(362)	(315)	(106)	(330)
Non-current liabilities - compensation and benefits	(10,972)	(2,557)	(3,904)	(17,140)	(3,891)	(4,555)
Net amount recorded	$ (11,309)	$ 234	$ (4,266)	$(17,455)	$ (3,152)	$ (4,885)
Amounts recorded in Accumulated other comprehensive loss (income)						
Prior service cost (credit)	(109)	(52)	(1,912)	(80)	19	(2,148)
Net loss (gain)	(2,754)	2,012	(1,042)	5,687	4,582	(633)
Total recorded in Accumulated other comprehensive loss (income)	$ (2,863)	$ 1,960	$ (2,954)	$ 5,607	$ 4,601	$ (2,781)

(a) Principally associated with discount rate changes.

(b) Irrevocable commitment to purchase group annuity contracts from a third-party insurance company in December 2020.

(c) The benefit obligation for the GE Supplementary Pension Plan, which is an unfunded plan, was $7,226 million and $7,353 million at year-end 2021 and 2020, respectively.

(d) The benefit obligation for retiree health plans was $2,548 million and $3,094 million at December 31, 2021 and 2020, respectively.

ASSUMPTIONS USED IN CALCULATIONS. Our defined benefit pension plans are accounted for on an actuarial basis, which requires the selection of various assumptions, including a discount rate, a compensation assumption, an expected return on assets, mortality rates of participants and expectation of mortality improvement.

Projected benefit obligations are measured as the present value of expected benefit payments. We discount those cash payments using a discount rate. We determine the discount rate using the weighted-average yields on high-quality fixed-income securities with maturities that correspond to the payment of benefits. Lower discount rates increase present values and generally increase subsequent-year pension expense; higher discount rates decrease present values and generally reduce subsequent-year pension expense.

The compensation assumption is used to estimate the annual rate at which pay of plan participants will grow. If the rate of growth assumed increases, the size of the pension obligations will increase, as will the amount recorded in AOCI in our Statement of Financial Position and amortized into earnings in subsequent periods.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the benefit obligations. To determine the expected long-term rate of return on pension plan assets, we consider our asset allocation, as well as historical and expected returns on various categories of plan assets. In developing future long-term return expectations for our principal benefit plans' assets, we formulate views on the future economic environment, both in the U.S. and abroad. We evaluate general market trends and historical relationships among a number of key variables that impact asset class returns such as expected earnings growth, inflation, valuations, yields and spreads, using both internal and external sources. We also take into account expected volatility by asset class and diversification across classes to determine expected overall portfolio results given our asset allocation. Based on our analysis, we have assumed a 6.25% long-term expected return on the GE Pension Plan assets for cost recognition in 2021 and 2020, as compared to 6.75% in 2019. For 2022 cost recognition, we have assumed a 6.00% long-term expected return for the GE Pension Plan assets.

The Society of Actuaries issued new mortality improvement tables in 2021 and 2020. We updated mortality assumptions in the U.S. accordingly. These changes in assumptions increased the December 31, 2021 U.S. pension and retiree benefit plans' obligations by $278 million and decreased the December 31, 2020 obligations by $180 million.

The healthcare trend assumptions primarily apply to our pre-65 retiree medical plans. Most participants in our post-65 retiree plan have a fixed subsidy and therefore are not subject to healthcare inflation.

We evaluate these critical assumptions at least annually on a plan and country-specific basis. We periodically evaluate other assumptions involving demographics factors such as retirement age and turnover, and update them to reflect our actual experience and expectations for the future. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors. Differences between our actual results and what we assumed are recorded in Accumulated other comprehensive income each period. These differences are amortized into earnings over the remaining average future service of active participating employees or the expected life of inactive participants, as applicable. For the principal pension plans, gains and losses are amortized using a straight-line method with a separate layer for each year's gains and losses. For most other pension plans and principal retiree benefit plans, gains and losses are amortized using a straight-line or a corridor amortization method.

SENSITIVITIES TO KEY ASSUMPTIONS. Fluctuations in discount rates can significantly impact pension cost and obligations. A 25 basis point decrease in discount rate would increase principal pension plan cost in the following year by about $205 million and would increase the principal pension plan projected benefit obligation at year-end by about $2,300 million. The deficit sensitivity to the discount rate is lower than the projected benefit obligation sensitivity as a result of the liability hedging program incorporated in the plan's asset allocation. A 50 basis point decrease in the expected return on assets would increase principal pension plan cost in the following year by about $260 million.

THE COMPOSITION OF OUR PLAN ASSETS. The fair value of our pension plans' investments is presented below. The inputs and valuation techniques used to measure the fair value of these assets are described in Note 1 and have been applied consistently.

	2021		2020	
	Principal pension	Other pension	Principal pension	Other pension
Global equities	$ 7,778	$ 3,589	$ 5,552	$ 3,674
Debt securities				
Fixed income and cash investment funds	7,665	10,527	6,831	10,003
U.S. corporate(a)	10,324	468	8,512	410
Other debt securities(b)	7,331	492	5,505	440
Real estate	2,510	89	2,274	81
Private equities and other investments	1,515	943	490	499
Total	37,123	16,108	29,164	15,107
Plan assets measured at net asset value				
Global equities	9,517	1,172	16,259	1,415
Debt securities	5,269	1,287	5,445	1,268
Real estate	1,408	2,126	1,324	1,978
Private equities and other investments	7,673	1,797	6,651	1,738
Total plan assets at fair value	$ 60,990	$ 22,490	$ 58,843	$ 21,506

(a) Primarily represented investment-grade bonds of U.S. issuers from diverse industries.
(b) Primarily represented investments in residential and commercial mortgage-backed securities, non-U.S. corporate and government bonds and U.S. government, federal agency, state and municipal debt.

Plan assets that were measured at fair value using NAV as practical expedient were excluded from the fair value hierarchy. GE Pension Plan investments with a fair value of $3,872 million and $2,721 million at December 31, 2021 and 2020, respectively, were classified within Level 3 and primarily relate to private equities and real estate. The remaining investments were substantially all considered Level 1 and 2. Investments with a fair value of $12,377 million and $9,922 million at December 31, 2021 and 2020, respectively, were classified within Level 1 and primarily relate to global equities and cash. Investments with a fair value of $20,942 million and $16,514 million at December 31, 2021 and 2020, respectively were classified within Level 2 and relate to primarily debt securities. Other pension plans investments with a fair value of $138 million and $97 million at December 31, 2021 and 2020, respectively, were classified within Level 3 and primarily relate to private equities and real estate. The remaining investments were substantially all considered Level 1 and 2. Investments with a fair value of $1,312 million and $1,721 million at December 31, 2021 and 2020, respectively, were classified within Level 1 and primarily relate to global equities and cash. Investments with a fair value of $13,802 million and $12,869 million at December 31, 2021 and 2020, respectively, were classified within Level 2 and primarily relate to debt securities. Principal retiree benefit plan investments with a fair value of $42 million and $134 million at December 31, 2021 and 2020, respectively, comprised equity and debt securities which are considered Level 1 and 2. There were no Level 3 principal retiree benefit plan investments held in 2021 and 2020.

ASSET ALLOCATION OF PENSION PLANS	2021 Target allocation		2021 Actual allocation	
	Principal Pension	Other Pension (weighted average)	Principal Pension	Other Pension (weighted average)
Global equities	20.0 - 38.0 %	21 %	28 %	22 %
Debt securities (including cash equivalents)	29.0 - 75.5	58	51	57
Real estate	0.5 - 10.5	9	6	10
Private equities & other investments	4.5 - 26.5	12	15	11

Plan fiduciaries of the GE Pension Plan set investment policies and strategies for the GE Pension Trust and oversee its investment allocation, which includes selecting investment managers and setting long-term strategic targets. The plan fiduciaries' primary strategic investment objectives are balancing investment risk and return and monitoring the plan's liquidity position in order to meet the plan's near-term benefit payment and other cash needs. The plan has incorporated de-risking objectives and liability hedging programs as part of its long-term investment strategy. The plan utilizes a combination of long-dated corporate bonds, treasuries, strips and derivatives to implement its investment strategies as well as for hedging asset and liability risks. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

GE securities represented 0.6% of the GE Pension Trust assets at December 31, 2021 and 2020. The GE Pension Plan has a broadly diversified portfolio of investments in equities, fixed income, private equities and real estate; these investments are both U.S. and non-U.S. in nature.

ANNUALIZED RETURNS	1 year	5 years	10 years	25 years
GE Pension Plan	9.7 %	10.3 %	9.0 %	7.6 %

EXPECTED FUTURE BENEFIT PAYMENTS OF OUR BENEFIT PLANS	Principal pension	Other pension	Principal retiree benefit
2022	$ 3,800	$ 950	$ 410
2023	3,835	930	390
2024	3,860	930	365
2025	3,880	960	350
2026	3,895	970	335
2027-2031	19,445	5,070	1,440

DEFINED CONTRIBUTION PLAN. We have a defined contribution plan for eligible U.S. employees that provides employer contributions which were $418 million, $318 million and $355 million for the years ended December 31, 2021, 2020, and 2019, respectively.

COST OF POSTRETIREMENT BENEFIT PLANS AND CHANGES IN OTHER COMPREHENSIVE INCOME

For the years ended December 31	2021			2020			2019		
(Pre-tax)	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit	Principal pension	Other pension	Principal retiree benefit
Cost (income) of postretirement benefit plans	$ 2,650	$ (102)	$ (168)	$ 3,559	$ 30	$ (118)	$ 3,929	$ (21)	$ (149)
Changes in other comprehensive loss (income)									
Prior service cost (credit) - current year	—	(1)	—	—	27	(7)	(42)	(17)	(23)
Net loss (gain) - current year	(4,959)	(2,104)	(488)	1,124	529	119	971	1,592	240
Reclassifications out of AOCI									
Curtailment / settlement gain (loss)	—	(68)	—	—	(3)	—	(353)	(12)	4
Dispositions	—	(68)	—	—	(166)	—	—	(340)	—
Amortization of net gain (loss)	(3,483)	(403)	79	(3,399)	(434)	82	(3,439)	(319)	118
Amortization of prior service credit (cost)	(28)	3	236	(146)	(1)	234	(135)	(3)	232
Total changes in other comprehensive loss (income)	(8,470)	(2,641)	(173)	(2,421)	(48)	428	(2,998)	901	571
Cost (income) of postretirement benefit plans and changes in other comprehensive loss (income)	$ (5,820)	$(2,743)	$ (341)	$ 1,138	$ (18)	$ 310	$ 931	$ 880	$ 422

NOTE 13. CURRENT AND ALL OTHER LIABILITIES

December 31	2021	2020
Sales allowances, equipment projects and other commercial liabilities	$ 5,638	$ 5,123
Product warranties (Note 22)	1,091	1,197
Employee compensation and benefit liabilities	4,677	4,838
Interest payable	276	793
Taxes payable	500	463
Environmental, health and safety liabilities (Note 22)	386	359
Derivative instruments (Note 20)	212	369
Other	1,196	1,931
All other current liabilities	$ 13,977	$ 15,071
Sales allowances, equipment projects and other commercial liabilities	$ 2,451	$ 2,543
Product warranties (Note 22)	800	857
Operating lease liabilities (Note 6)	2,848	3,195
Uncertain and other income taxes and related liabilities	3,041	3,385
Alstom legacy legal matters (Note 22)	567	858
Environmental, health and safety liabilities (Note 22)	2,274	2,210
Redeemable noncontrolling interests (Note 15)	148	487
Interest payable	179	382
Other	934	863
All other non-current liabilities	$ 13,240	$ 14,781
Total All other liabilities	$ 27,217	$ 29,852

NOTE 14. INCOME TAXES. GE files a consolidated U.S. federal income tax return which enables GE's businesses to use tax deductions and credits of one member of the group to reduce the tax that otherwise would have been payable by another member of the group. The effective tax rate reflects the benefit of these tax reductions in the consolidated return. Cash payments are made to GE's businesses for tax reductions and from GE's businesses for tax increases.

Our businesses are subject to regulation under a wide variety of U.S. federal, state and foreign tax laws, regulations and policies. Changes to these laws or regulations may affect our tax liability, return on investments and business operations.

EARNINGS (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2021	2020	2019
U.S. earnings (loss)	$ (2,959)	$ (4,823)	$ 1,032
Non-U.S. earnings (loss)	(724)	10,793	(1,086)
Total	$ (3,683)	$ 5,970	$ (54)

PROVISION (BENEFIT) FOR INCOME TAXES	2021	2020	2019
Current			
U.S. Federal	$ (1,347)	$ 865	$ (22)
Non - U.S.	1,154	1,276	1,832
U.S. State	(85)	152	(373)
Deferred			
U.S. Federal	(567)	(1,898)	(1,047)
Non - U.S.	608	(810)	59
U.S. State	(50)	(72)	103
Total	$ (286)	$ (487)	$ 552

Income taxes paid were $1,330 million, $1,291 million and $2,228 million for the years ended December 31, 2021, 2020 and 2019, respectively, including payments reported in discontinued operations.

RECONCILIATION OF U.S. FEDERAL STATUTORY INCOME TAX RATE TO ACTUAL INCOME TAX RATE	2021		2020		2019	
	Amount	Rate	Amount	Rate	Amount	Rate
U.S. federal statutory income tax rate	$ (773)	21.0 %	$ 1,254	21.0 %	$ (11)	21.0 %
Tax on global activities including exports	155	(4.2)	(47)	(0.8)	505	(935.2)
U.S. business credits(a)	(189)	5.1	(169)	(2.8)	(259)	479.6
Debt tender and related valuation allowances	940	(25.5)	—	—	—	—
Deductible stock and restructuring losses	(583)	15.8	(203)	(3.4)	(144)	266.7
Sale of Biopharma business	(5)	0.1	(1,447)	(24.2)	633	(1,172.2)
Goodwill impairments	—	—	184	3.1	299	(553.7)
All other – net(b)(c)	169	(4.5)	(59)	(1.1)	(471)	871.6
	487	(13.2)	(1,741)	(29.2)	563	(1,043.2)
Actual income tax rate	$ (286)	7.8 %	$ (487)	(8.2)%	$ 552	(1,022.2)%

(a) U.S. general business credits, primarily the credit for energy produced from renewable sources and the credit for research performed in the U.S.

(b) For the year ended December 31, 2020, included $(140) million for the resolution of the IRS audit of our consolidated U.S. income tax returns for 2014-2015. For the year ended December 31, 2019, included $(378) million for the resolution of the IRS audit of our consolidated U.S. income tax returns for 2012-2013.

(c) Included for each period, the expense or benefit for U.S. state taxes reported above in the consolidated (benefit) provision for income taxes, net of 21.0% federal effect.

UNRECOGNIZED TAX POSITIONS. Annually, we file over 3,000 income tax returns in over 270 global taxing jurisdictions. We are under examination or engaged in tax litigation in many of these jurisdictions. The IRS is currently auditing our consolidated U.S. income tax returns for 2016-2018. In December 2020, the IRS completed the audit of our consolidated U.S. income tax returns for 2014-2015. The Company recognized a continuing operations benefit of $140 million plus an additional net interest benefit of $96 million. In addition, the Company recorded a benefit in discontinued operations of $130 million of tax benefits and $25 million of net interest benefits. In June 2019, the IRS completed the audit of our consolidated U.S. income tax returns for 2012-2013. The Company recognized a continuing operations tax benefit of $378 million plus an additional net interest benefit of $107 million. The Company recorded an additional non-cash benefit in discontinued operations of $332 million of tax benefits and $46 million of net interest benefits. See Note 2 for further information.

In September 2021, GE resolved its dispute with the United Kingdom tax authority, HM Revenue & Customs (HMRC) in connection with interest deductions claimed by GE Capital for the years 2004-2015. As previously disclosed, HMRC had proposed to disallow interest deductions with a potential impact of approximately $1,100 million, which included a possible assessment of tax and reduction of deferred tax assets, not including interest and penalties. As part of the settlement, GE and HMRC agreed that a portion of the interest deductions claimed were disallowed, with no fault or blame attributed to either party. The resolution concluded the dispute in its entirety without interest or penalties. The adjustments result in no current tax payment to HMRC, but a deferred tax charge of $112 million as part of discontinued operations as a result of a reduction of available tax attributes, which had previously been recorded as deferred tax assets.

The balance of unrecognized tax benefits, the amount of related interest and penalties we have provided and what we believe to be the range of reasonably possible changes in the next 12 months were:

UNRECOGNIZED TAX BENEFITS December 31		2021		2020		2019
Unrecognized tax benefits	$	4,224	$	4,191	$	4,169
Portion that, if recognized, would reduce tax expense and effective tax rate(a)		3,351		2,986		2,701
Accrued interest on unrecognized tax benefits		597		628		722
Accrued penalties on unrecognized tax benefits		146		179		195
Reasonably possible reduction to the balance of unrecognized tax benefits in succeeding 12 months		0-250		0-350		0-700
Portion that, if recognized, would reduce tax expense and effective tax rate(a)		0-200		0-250		0-650

(a) Some portion of such reduction may be reported as discontinued operations.

UNRECOGNIZED TAX BENEFITS RECONCILIATION		2021		2020		2019
Balance at January 1	$	4,191	$	4,169	$	5,563
Additions for tax positions of the current year		396		836		403
Additions for tax positions of prior years		327		326		500
Reductions for tax positions of prior years(a)		(585)		(863)		(1,927)
Settlements with tax authorities		(33)		(127)		(155)
Expiration of the statute of limitations		(71)		(151)		(214)
Balance at December 31	$	4,224	$	4,191	$	4,169

(a) For 2019, reductions included $710 million related to the completion of the 2012-2013 IRS audit and $442 million related to the deconsolidation of Baker Hughes.

We classify interest on tax deficiencies as interest expense; we classify income tax penalties as provision for income taxes. For the years ended December 31, 2021, 2020 and 2019, $17 million, $(30) million and $(93) million of interest expense (income), respectively, and $(29) million, $(13) million and $20 million of tax expense (income) related to penalties, respectively, were recognized in our Statement of Earnings (Loss).

DEFERRED INCOME TAXES. As part of the Tax Cuts and Jobs Act of 2017 (U.S. tax reform), the U.S. has enacted a minimum tax on foreign earnings (global intangible low tax income). We have not made an accrual for the deferred tax aspects of this provision. We also have not provided deferred taxes on cumulative net earnings of non-U.S. affiliates and associated companies of approximately $12 billion that have been reinvested indefinitely. Given U.S. tax reform, substantially all of our prior unrepatriated net earnings were subject to U.S. tax and accordingly we expect to have the ability to repatriate available non-U.S. cash without additional federal tax cost, and any foreign withholding tax on a repatriation to the U.S. would potentially be partially offset by a U.S. foreign tax credit. However, because most of these earnings have been reinvested in active non-U.S. business operations, as of December 31, 2021, we have not decided to repatriate these earnings to the U.S. It is not practicable to determine the income tax liability that would be payable if such earnings were not reinvested indefinitely. In December 2021, the Company announced plans to form three public companies focused on aviation, healthcare and energy. Planning for and execution of this separation will result in tax including potentially tax on changes in indefinite reinvestment outside the U.S. The impact of a change in reinvestment will be recorded when there is a specific change in ability and intent to reinvest earnings.

The following table presents our net deferred tax assets and net deferred tax liabilities attributable to different tax jurisdictions or different tax paying components.

DEFERRED INCOME TAXES December 31		2021		2020
Total assets	$	11,587	$	14,972
Total liabilities		(732)		(719)
Net deferred income tax asset (liability)	$	10,855	$	14,253

COMPONENTS OF THE NET DEFERRED INCOME TAX ASSET (LIABILITY) December 31	2021	2020
Deferred tax assets		
Accrued expenses and reserves	$ 2,635	$ 2,667
Principal pension plans	2,375	3,666
Progress collections and deferred income	1,830	1,921
Insurance company loss reserves	1,700	1,684
Deferred expenses	1,597	1,647
Other compensation and benefits	1,397	2,149
Non-U.S. loss carryforwards(a)	1,354	1,793
Principal retiree benefit plans	896	1,026
Capital losses	554	582
Contract Assets	263	(460)
Other(b)	775	817
Total deferred tax assets	15,376	17,492
Deferred tax liabilities		
Investment in global operations	(1,775)	(1,289)
Investment securities	(1,278)	(969)
Depreciation	(299)	(126)
Other	(1,169)	(855)
Total deferred tax liabilities	(4,521)	(3,239)
Net deferred income tax asset (liability)	$ 10,855	$ 14,253

(a) Net of valuation allowances of $7,081 million and $6,199 million as of December 31, 2021 and 2020, respectively. Of the net deferred tax asset as of December 31, 2021 of $1,354 million, $25 million relates to net operating loss carryforwards that expire in various years ending from December 31, 2022 through December 31, 2024; $417 million relates to net operating losses that expire in various years ending from December 31, 2025 through December 31, 2041 and $912 million relates to net operating loss carryforwards that may be carried forward indefinitely.

(b) Included valuation allowances related to assets other than non-U.S. loss carryforwards of $1,653 million and $1,119 million as of December 31, 2021 and 2020, respectively.

NOTE 15. SHAREHOLDERS' EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	2021	2020	2019
Beginning balance	$ (4,386)	$ (4,818)	$ (6,134)
AOCI before reclasses – net of taxes of $(91), $(25) and $(98)	(104)	(255)	41
Reclasses from AOCI – net of taxes of $87, $0 and $(9)(a)(b)	(71)	691	1,234
AOCI	(174)	435	1,275
Less AOCI attributable to noncontrolling interests	2	2	(40)
Currency translation adjustments AOCI	$ (4,562)	$ (4,386)	$ (4,818)
Beginning balance	$ (5,395)	$ (7,024)	$ (8,254)
AOCI before reclasses – net of taxes of $1,643, $(283) and $(418)	6,225	(1,256)	(2,097)
Reclasses from AOCI – net of taxes of $793, $805 and $915(a)(b)	2,819	2,888	3,325
AOCI	9,044	1,632	1,228
Less AOCI attributable to noncontrolling interests	3	4	(2)
Benefit plans AOCI	$ 3,646	$ (5,395)	$ (7,024)
Beginning balance	$ 32	$ 109	$ (25)
AOCI before reclasses – net of taxes of $615, $21 and $38(c)	2,422	(39)	118
Reclasses from AOCI – net of taxes of $23, $(25) and $(9)(a)	44	(39)	17
AOCI	2,466	(78)	135
Investment securities and cash flow hedges AOCI	$ 2,498	$ 32	$ 109
AOCI at December 31	$ 1,582	$ (9,749)	$ (11,732)
Dividends declared per common share	$ 0.32	$ 0.32	$ 0.32

(a) The total reclassification from AOCI included $836 million, including currency translation of $688 million, net of taxes, in 2020, related to the sale of our BioPharma business within our Healthcare segment.

(b) Currency translation and benefit plan gains and losses included $1,343 million, including currency translation of $1,066 million, net of taxes, in 2019 earnings (loss) from discontinued operations related to deconsolidation of Baker Hughes.

(c) Included adjustments of $3,535 million, $(1,979) million and $(2,693) million in 2021, 2020 and 2019, respectively related to insurance liabilities and annuity benefits in our run-off insurance operations to reflect the effects that would have been recognized had the related unrealized investment security gains been realized. See Note 11 for further information.

Preferred stock outstanding comprises $5,694 million of GE Series D preferred stock, in addition to $245 million of existing GE Series A, B and C preferred stock. The total carrying value of GE preferred stock at December 31, 2021 was $5,935 million and will increase to $5,940 million by the respective call dates through periodic accretion. Dividends on GE preferred stock are payable semi-annually in June and December and accretion is recorded on a quarterly basis. Dividends on GE preferred stock totaled $237 million, including cash dividends of $220 million, $474 million, including cash dividends of $295 million, and $460 million, including cash dividends of $295 million, for the years ended December 31, 2021, 2020 and 2019, respectively. On January 21, 2021, the GE Series D preferred stock became callable and its dividends converted from 5% fixed rate to 3-month LIBOR plus 3.33%. As of the filing date of this Form 10-K for the year ended December 31, 2021, the GE Series D preferred stock has not been called.

GE has 50 million authorized shares of preferred stock ($1.00 par value), of which 5,939,875 shares are outstanding as of December 31, 2021, 2020 and 2019. GE's authorized common stock consists of 1,650 million shares having a par value of $0.01 each, with 1,462 million shares issued. To facilitate settlement of employee compensation programs, we repurchased shares of 0.5 million and 0.1 million, for a total of $35.8 million and $15.3 million for the years ended December 31, 2021 and 2020, respectively.

Redeemable noncontrolling interests, presented within All other liabilities in our Statement of Financial Position, include common shares issued by our affiliates that are redeemable at the option of the holder of those interests and amounted to $148 million and $487 million as of December 31, 2021 and 2020, respectively. The decrease of $339 million was primarily due to a redeemable noncontrolling interest in our Aviation segment, which was converted into a mandatorily redeemable instrument and reclassified to All other current liabilities.

NOTE 16. SHARE-BASED COMPENSATION. We grant stock options, restricted stock units and performance share units to employees under the 2007 Long-Term Incentive Plan. Grants made under all plans must be approved by the Management Development and Compensation Committee of GE's Board of Directors, which is composed entirely of independent directors. We record compensation expense for awards expected to vest over the vesting period. We estimate forfeitures based on experience and adjust expense to reflect actual forfeitures. When options are exercised, restricted stock units vest, and performance share awards are earned, we issue shares from treasury stock. Where applicable, the disclosures below have been adjusted to reflect the 1-for-8 reverse stock split effective July 30, 2021.

Stock options provide employees the opportunity to purchase GE shares in the future at the market price of our stock on the date the award is granted (the strike price). The options become exercisable over the vesting period, typically three years, and expire 10 years from the grant date if not exercised. Restricted stock units (RSU) provide an employee with the right to receive one share of GE stock when the restrictions lapse over the vesting period. Upon vesting, each RSU is converted into one share of GE common stock for each unit. Performance share units (PSU) and performance shares provide an employee with the right to receive shares of GE stock based upon achievement of certain performance or market metrics. Upon vesting, each PSU earned is converted into shares of GE common stock. We value stock options using a Black-Scholes option pricing model, RSUs using market price on grant date, and PSUs and performance shares using market price on grant date and a Monte Carlo simulation as needed based on performance metrics.

WEIGHTED AVERAGE GRANT DATE FAIR VALUE	2021	2020	2019
Stock options	$ 40.64	$ 28.64	$ 27.84
RSUs	104.98	63.28	80.96
PSUs/Performance shares	108.51	63.28	85.84

Key assumptions used in the Black-Scholes valuation for stock options include: risk free rates of 1.1%, 1.0%, and 2.5%, dividend yields of 0.3%, 0.4%, and 0.4%, expected volatility of 40%, 36%, and 33%, expected lives of 6.2 years, 6.1 years, and 6.0 years, and strike prices of $105.12, $84.48, and $80.00 for 2021, 2020, and 2019, respectively.

	Stock options				RSUs			
STOCK-BASED COMPENSATION ACTIVITY	Shares (in thousands)	Weighted average exercise price	Weighted average contractual term (in years)	Intrinsic value (in millions)	Shares (in thousands)	Weighted average grant date fair value	Weighted average contractual term (in years)	Intrinsic value (in millions)
Outstanding at January 1, 2021	50,046	$ 145.26			7,561	$ 72.35		
Granted	494	105.12			2,972	104.98		
Exercised	(1,252)	74.19			(1,639)	97.91		
Forfeited	(933)	80.31			(837)	82.81		
Expired	(9,941)	159.46			N/A	N/A		
Outstanding at December 31, 2021	38,414	$ 144.97	4.2	$ 193	8,057	$ 77.90	1.6	$ 761
Exercisable at December 31, 2021	33,551	153.11	3.6	148	N/A	N/A	N/A	N/A
Expected to vest	4,557	$ 88.70	7.9	$ 42	6,830	$ 78.75	1.5	$ 645

Total outstanding PSUs and performance shares at December 31, 2021 were 3,215 thousand shares with a weighted average fair value of $75.66. The intrinsic value and weighted average contractual term of PSUs and performance shares outstanding were $304 million and 2.3 years, respectively.

	2021	2020	2019
Compensation expense (after-tax)(a)(b)	$ 361	$ 353	$ 400
Cash received from stock options exercised	93	6	69
Intrinsic value of stock options exercised and RSU/PSUs vested	217	81	154

(a) Unrecognized compensation cost related to unvested equity awards as of December 31, 2021 was $491 million, which will be amortized over a weighted average period of 1.1 years.

(b) Income tax benefit recognized in earnings was $9 million, $10 million and $20 million in 2021, 2020, and 2019, respectively.

NOTE 17. EARNINGS PER SHARE INFORMATION. In the second quarter of 2021, we announced that we would proceed with the 1-for-8 reverse stock split, as approved by shareholders, and filed an amendment to our certificate of incorporation to effectuate the reverse stock split after the close of trading on July 30, 2021. GE common stock began trading on a split-adjusted basis on August 2, 2021. Our shares of outstanding common stock and earnings per share calculation have been retroactively restated for all periods presented.

(Earnings for per-share calculation,	2021		2020		2019	
per-share amounts in dollars)	Diluted	Basic	Diluted	Basic	Diluted	Basic
Earnings from continuing operations	$ (3,326)	$ (3,326)	$ 6,601	$ 6,601	$ (614)	$ (614)
Preferred stock dividends	(237)	(237)	(474)	(474)	(460)	(460)
Accretion of redeemable noncontrolling interests, net of tax(a)	(9)	(9)	(151)	(151)	—	—
Earnings from continuing operations attributable to GE common shareholders	(3,571)	(3,571)	5,975	5,975	(1,074)	(1,074)
Earnings (loss) from discontinued operations	(3,195)	(3,195)	(909)	(909)	(4,367)	(4,367)
Net earnings attributable to GE common shareholders	(6,766)	(6,766)	5,066	5,066	(5,440)	(5,440)
Shares of GE common stock outstanding	1,098	1,098	1,094	1,094	1,091	1,091
Employee compensation-related shares (including stock options)	—	—	1	—	—	—
Total average equivalent shares	1,098	1,098	1,095	1,094	1,091	1,091
Earnings (loss) from continuing operations	$ (3.25)	$ (3.25)	$ 5.46	$ 5.46	$ (0.98)	$ (0.98)
Earnings (loss) from discontinued operations	(2.91)	(2.91)	(0.83)	(0.83)	(4.00)	(4.00)
Net earnings (loss)	(6.16)	(6.16)	4.63	4.63	(4.99)	(4.99)
Potentially dilutive securities(b)	41		56		55	

(a) Represents accretion adjustment of redeemable noncontrolling interests in our Additive business within our Aviation segment.

(b) Outstanding stock awards not included in the computation of diluted earnings per share because their effect was antidilutive.

Our unvested restricted stock unit awards that contain non-forfeitable rights to dividends or dividend equivalents are considered participating securities and, therefore, are included in the computation of earnings per share pursuant to the two-class method. For the year ended December 31, 2021, as a result of the loss from continuing operations, losses were not allocated to the participating securities. For the year ended December 31, 2020, application of this treatment had an insignificant effect. For the year ended December 31, 2019, as a result of the loss from continuing operations, losses were not allocated to the participating securities.

NOTE 18. OTHER INCOME

	2021	2020	2019
Purchases and sales of business interests(a)	$ (40)	$ 12,468	$ 3
Licensing and royalty income	192	161	256
Equity method income	(96)	7	264
Net interest and investment income (loss)(b)	2,270	(1,447)	1,507
Other items	497	207	449
Total other income	$ 2,823	$ 11,396	$ 2,479

(a) Included a pre-tax loss of $170 million on the sale of our boiler manufacturing business in China in 2021. Included a pre-tax gain of $12,362 million on the sale of BioPharma in 2020. Included a pre-tax gain of $224 million on the sale of ServiceMax partially offset by charges to the valuation allowance on businesses classified as held for sale of $245 million in 2019. See Note 2 for further information.

(b) Included a pre-tax realized and unrealized gain of $938 million, pre-tax realized and unrealized loss of $2,037 million and pre-tax unrealized gain of $793 million related to our interest in Baker Hughes in 2021, 2020 and 2019, respectively. Included a pre-tax unrealized gain of $711 million related to our interest in AerCap in 2021. Included interest income associated with customer advances of $167 million, $146 million and $143 million in 2021, 2020 and 2019, respectively. See Notes 3, 8 and 24 for further information.

NOTE 19. FAIR VALUE MEASUREMENTS Our assets and liabilities measured at fair value on a recurring basis include debt securities mainly supporting obligations to annuitants and policyholders in our run-off insurance operations, our equity interests in AerCap and Baker Hughes, and derivatives.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

	Level 1		Level 2		Level 3(a)		Netting adjustment(d)		Net balance(b)	
December 31	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Investment securities	$ 11,434	$ 7,319	$ 35,849	$ 36,684	$ 7,222	$ 5,866	$ —	$ —	$ 54,506	$ 49,869
Derivatives	—	—	1,357	3,061	17	8	(691)	(2,582)	684	487
Total assets	$ 11,434	$ 7,319	$ 37,207	$ 39,745	$ 7,239	$ 5,874	$ (691)	$ (2,582)	$ 55,189	$ 50,356
Derivatives	$ —	$ —	$ 891	$ 1,114	$ 1	$ 7	$ (681)	$ (752)	$ 212	$ 369
Other(c)	—	—	863	780	—	—	—	—	863	780
Total liabilities	$ —	$ —	$ 1,754	$ 1,894	$ 1	$ 7	$ (681)	$ (752)	$ 1,075	$ 1,149

(a) Included $4,228 million of U.S. corporate debt securities, $1,427 million of Mortgage and asset-backed debt securities, and the $993 million AerCap note at December 31, 2021. Included $4,185 million of U.S. corporate debt securities and $976 million of Mortgage and asset-backed debt securities at December 31, 2020.

(b) See Notes 3 and 20 for further information on the composition of our investment securities and derivative portfolios.

(c) Primarily represents the liabilities associated with certain of our deferred incentive compensation plans.

(d) The netting of derivative receivables and payables is permitted when a legally enforceable master netting agreement exists. Amounts include fair value adjustments related to our own and counterparty non-performance risk.

LEVEL 3 INSTRUMENTS. The majority of our Level 3 balances comprised debt securities classified as available-for-sale with changes in fair value recorded in Other comprehensive income.

	Balance at January 1	Net realized/ unrealized gains(losses)(a)	Purchases(b)	Sales & Settlements	Transfers into Level 3	Transfers out of Level 3	Balance at December 31
2021							
Investment securities	$ 5,866	$ (261)	$ 2,589	$ (943)	$ 6	$ (35)	$ 7,222
2020							
Investment securities	$ 5,210	$ 357	$ 1,301	$ (958)	$ 2	$ (45)	$ 5,866

(a) Primarily included net unrealized gains (losses) of $(288) million and $323 million in Other comprehensive income for the years ended December 31, 2021 and 2020, respectively.

(b) Included $1,084 million and $745 million of Mortgage and asset-backed debt securities for the years ended December 31, 2021 and 2020, respectively, and the $1,000 million AerCap senior note received as partial consideration on the completion of the GECAS transaction.

These Level 3 securities are primarily fair valued using non-binding broker quotes or other third-party sources that utilize a number of different unobservable inputs not subject to meaningful aggregation.

NOTE 20. FINANCIAL INSTRUMENTS. The following table provides information about assets and liabilities not carried at fair value and excludes finance leases, equity securities without readily determinable fair value and non-financial assets and liabilities. Substantially all of these assets are considered to be Level 3 and the vast majority of our liabilities' fair value are considered Level 2.

		December 31, 2021		December 31, 2020	
		Carrying amount (net)	Estimated fair value	Carrying amount (net)	Estimated fair value
Assets	Loans and other receivables	$ 2,706	$ 2,853	$ 2,904	$ 3,125
Liabilities	Borrowings (Note 10)	$ 35,186	$ 41,207	$ 74,902	$ 86,001
	Investment contracts (Note 11)	1,909	2,282	2,049	2,547

Assets and liabilities that are reflected in the accompanying financial statements at fair value are not included in the above disclosures; such items include cash and equivalents, investment securities and derivative financial instruments.

DERIVATIVES AND HEDGING. Our policy requires that derivatives are used solely for managing risks and not for speculative purposes. We use derivatives to manage currency risks related to foreign exchange, and interest rate and currency risk between financial assets and liabilities, and certain equity investments and commodity prices.

We use cash flow hedges primarily to reduce or eliminate the effects of foreign exchange rate changes, net investment hedges to hedge investments in foreign operations as well as fair value hedges to hedge the effects of interest rate and currency changes on debt it has issued. We also use derivatives not designated as hedges from an accounting standpoint (and therefore we do not apply hedge accounting to the relationship) but otherwise serve the same economic purpose as other hedging arrangements. We use economic hedges when we have exposures to currency exchange risk for which we are unable to meet the requirements for hedge accounting or when changes in the carrying amount of the hedged item are already recorded in earnings in the same period as the derivative making hedge accounting unnecessary. Even though the derivative is an effective economic hedge, there may be a net effect on earnings in each period due to differences in the timing of earnings recognition between the derivative and the hedged item.

FAIR VALUE OF DERIVATIVES	December 31, 2021			December 31, 2020		
	Gross Notional	All other assets	All other liabilities	Gross Notional	All other assets	All other liabilities
Interest rate contracts	$ 2,071	$ 75	$ 4	$ 20,500	$ 1,912	$ 7
Currency exchange contracts	7,214	114	122	7,387	164	125
Derivatives accounted for as hedges	$ 9,285	$ 188	$ 126	$ 27,886	$ 2,076	$ 132
Interest rate contracts	$ 1,369	$ 5	$ 1	$ 346	$ 8	$ (1)
Currency exchange contracts	64,097	794	756	65,379	767	918
Other contracts	1,674	387	10	2,036	218	71
Derivatives not accounted for as hedges	$ 67,140	$ 1,186	$ 767	$ 67,761	$ 993	$ 989
Gross derivatives	$ 76,425	$ 1,374	$ 893	$ 95,647	$ 3,069	$ 1,121
Netting and credit adjustments		$ (637)	$ (639)		$ (647)	$ (647)
Cash collateral adjustments		(54)	(42)		(1,935)	(104)
Net derivatives recognized in statement of financial position		$ 684	$ 212		$ 487	$ 369
Net accrued interest		$ 10	$ 5		$ —	$ —
Securities held as collateral		(2)	—		(2)	—
Net amount		$ 691	$ 217		$ 484	$ 369

In conjunction with the completion of the debt tender in the fourth quarter of 2021, we terminated a significant portion of interest rate contracts that were in fair value hedge relationships with our borrowings.

It is standard market practice to post or receive cash collateral with our derivative counterparties in order to minimize counterparty exposure. Included in cash, cash equivalents and restricted cash was total net cash collateral received on derivatives of $66 million (comprising $176 million received and $110 million posted) at December 31, 2021 and $3,289 million (comprising $4,203 million received and $914 million posted) at December 31, 2020. Of these amounts, $84 million and $1,968 million at December 31, 2021 and December 31, 2020, respectively, were received on interest rate derivatives traded through clearing houses, which are recorded as a reduction of derivative assets.

Also included in total net cash collateral received are amounts presented as cash collateral adjustments in the table above, amounts related to accrued interest on interest rate derivatives presented as a reduction of Net accrued interest of $11 million and $292 million at December 31, 2021 and December 31, 2020, respectively, and excess net cash collateral posted of $41 million (comprising $27 million received and $68 million posted) at December 31, 2021, and $802 million (comprising $3 million received and $805 million posted) at December 31, 2020, which are excluded from cash collateral adjustments in the table above.

FAIR VALUE HEDGES. We use derivatives to hedge the effects of interest rate and currency exchange rate changes on our borrowings. At December 31, 2021, the cumulative amount of hedging adjustments of $2,072 million (including $2,073 million on discontinued hedging relationships) was included in the carrying amount of the hedged liability of $16,819 million. At December 31, 2020, the cumulative amount of hedging adjustments of $5,687 million (including $2,248 million on discontinued hedging relationships) was included in the carrying amount of the hedged liability of $29,374 million. The cumulative amount of hedging adjustments was primarily recorded in long-term borrowings.

CASH FLOW HEDGES AND NET INVESTMENT HEDGES.

	Gain (loss) recognized in AOCI		
	2021	2020	2019
Cash flow hedges(a)	$ (86)	$ (61)	$ 25
Net investment hedges(b)	487	(675)	120

(a) Primarily related to currency exchange and interest rate contracts.

(b) The carrying value of foreign currency debt designated as net investment hedges was $4,061 million and $8,348 million at December 31, 2021 and 2020, respectively. The total reclassified from AOCI into earnings was $(87) million, zero, and $7 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction occurs. The total amount in AOCI related to cash flow hedges of forecasted transactions was a $14 million loss at December 31, 2021. We expect to reclassify $17 million of gain to earnings in the next 12 months contemporaneously with the earnings effects of the related forecasted transactions. The total reclassified from AOCI into earnings was $(79) million, $(7) million, and $(60) million for the years ended December 31, 2021, 2020 and 2019, respectively. At December 31, 2021, the maximum term of derivative instruments that hedge forecasted transactions was approximately 13 years.

The table below presents the gains (losses) of our derivative financial instruments in the Statement of Earnings (Loss):

	2021					2020				
	Revenues	Debt Extinguishment Costs	Interest Expense	SG&A	Other(a)	Revenues	Debt Extinguishment Costs	Interest Expense	SG&A	Other(a)
	$ 74,196	$ 6,524	$ 1,876	$11,707	$56,719	$ 75,833	$ 301	$ 2,068	$12,592	$69,267
Effect of cash flow hedges	$ 27	$ —	$ (40)	$ 1	$ (67)	$ 15	$ —	$ (40)	$ 1	$ 17
Hedged items		$ 70	$ 1,413				$ —	$(1,775)		
Derivatives designated as hedging instruments		(66)	(1,549)				—	1,743		
Effect of fair value hedges		$ 3	$ (135)				$ —	$ (31)		
Interest rate contracts(a)	$ 1	$ 52	$ (3)	$ —	$ (1)	$ (1)	$ —	$ (11)	$ —	$ (18)
Currency exchange contracts	(6)	(16)	(18)	(127)	44	—	—	—	129	(293)
Other	—	—	—	183	193	—	—	—	86	(46)
Effect of derivatives not designated as hedges	$ (5)	$ 35	$ (22)	$ 56	$ 235	$ (1)	$ —	$ (11)	$ 215	$ (357)

(a) Amounts are inclusive of cost of sales and other income.

COUNTERPARTY CREDIT RISK. Our exposures to counterparties (including accrued interest), net of collateral we held, was $564 million and $392 million at December 31, 2021 and December 31, 2020, respectively. Counterparties' exposures to our derivative liability (including accrued interest), net of collateral posted by us, was $159 million and $307 million at December 31, 2021 and December 31, 2020, respectively.

NOTE 21. VARIABLE INTEREST ENTITIES. In addition to the two VIEs detailed in Note 4, in our Statement of Financial Position, we have assets of $491 million and $1,733 million and liabilities of $206 million and $657 million, at December 31, 2021 and 2020, respectively, from other consolidated VIEs. The decline in assets and liabilities is primarily driven by the deconsolidation of our aeroderivative JV and the reduction of the deferred purchase price related to the discontinuation of our remaining unconsolidated receivables facility. These entities were created to help our customers facilitate or finance the purchase of GE equipment and services and have no features that could expose us to losses that would significantly exceed the difference between the consolidated assets and liabilities.

Our investments in unconsolidated VIEs were $5,034 million and $3,230 million at December 31, 2021 and 2020, respectively. Of these investments, $1,481 million and $1,141 million were owned by EFS, comprising equity method investments, primarily renewable energy tax equity investments, at December 31, 2021 and 2020, respectively. In addition, $3,333 million and $1,833 million were owned by our run-off insurance operations, primarily comprising investment securities at December 31, 2021 and 2020, respectively. The increase in investments in unconsolidated VIEs in our run-off insurance operations reflects implementation of our revised reinvestment plan, which incorporates the introduction of strategic initiatives to invest in higher-yielding asset classes. Our maximum exposure to loss in respect of unconsolidated VIEs is increased by our commitments to make additional investments in these entities described in Note 22.

NOTE 22. COMMITMENTS, GUARANTEES, PRODUCT WARRANTIES AND OTHER LOSS CONTINGENCIES

COMMITMENTS. We had total investment commitments of $3,130 million at December 31, 2021. The commitments primarily comprise investments by our run-off insurance operations in investment securities and other assets of $3,069 million and included within these commitments are obligations to make investments in unconsolidated VIEs of $2,996 million. See Note 21 for further information.

As of December 31, 2021, in our Aviation segment, we have committed to provide financing assistance of $2,058 million of future customer acquisitions of aircraft equipped with our engines.

GUARANTEES. At December 31, 2021, we were committed under the following guarantee arrangements:

Credit support. At December 31, 2021, we have provided $1,252 million of credit support on behalf of certain customers or associated companies, predominantly joint ventures and partnerships, using arrangements such as standby letters of credit and performance guarantees. The liability for such credit support was $42 million.

Indemnification agreements - Continuing Operations. At December 31, 2021, we have $965 million of indemnification commitments, including representations and warranties in sales of business assets, for which we recorded a liability of $95 million.

Indemnification agreements - Discontinued Operations. At December 31, 2021, we have provided specific indemnities to buyers of assets of our business that, in the aggregate, represent a maximum potential claim of $562 million with related reserves of $93 million.

PRODUCT WARRANTIES. We provide for estimated product warranty expenses when we sell the related products. Because warranty estimates are forecasts that are based on the best available information, mostly historical claims experience, claims costs may differ from amounts provided. An analysis of changes in the liability for product warranties follows.

	2021	2020	2019
Balance at January 1	$ 2,054	$ 2,165	$ 2,192
Current-year provisions	862	788	713
Expenditures	(945)	(913)	(715)
Other changes	(81)	14	(26)
Balance at December 31	$ 1,891	$ 2,054	$ 2,165

LEGAL MATTERS. In the normal course of our business, we are involved from time to time in various arbitrations, class actions, commercial litigation, investigations and other legal, regulatory or governmental actions, including the significant matters described below that could have a material impact on our results of operations. In many proceedings, including the specific matters described below, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the size or range of the possible loss, and accruals for legal matters are not recorded until a loss for a particular matter is considered probable and reasonably estimable. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss until we know, among other factors, the particular claims involved, the likelihood of success of our defenses to those claims, the damages or other relief sought, how discovery or other procedural considerations will affect the outcome, the settlement posture of other parties and other factors that may have a material effect on the outcome. For these matters, unless otherwise specified, we do not believe it is possible to provide a meaningful estimate of loss at this time. Moreover, it is not uncommon for legal matters to be resolved over many years, during which time relevant developments and new information must be continuously evaluated.

Alstom legacy legal matters. In November 2015, we acquired the Thermal, Renewables and Grid businesses from Alstom, which prior to the acquisition was the subject of significant cases involving anti-competitive activities and improper payments. As part of GE's accounting for the acquisition, we established a reserve amounting to $858 million for legal and compliance matters related to the legacy business practices that were the subject cases in various jurisdictions, including the previously reported legal proceedings in Slovenia that are described below. The reserve balance was $567 million and $858 million at December 31, 2021 and December 31, 2020, respectively. The decrease in the reserve balance during 2021 was driven primarily by the cash payment in connection with the Šoštanj settlement described below. Allegations in these cases relate to claimed anti-competitive conduct or improper payments in the pre-acquisition period as the source of legal violations and/or damages. Given the significant litigation and compliance activity related to these matters and our ongoing efforts to resolve them, it is difficult to assess whether the disbursements will ultimately be consistent with the reserve established. The estimation of this reserve may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation and investigations of this nature, and at this time we are unable to develop a meaningful estimate of the range of reasonably possible additional losses beyond the amount of this reserve. Factors that can affect the ultimate amount of losses associated with these and related matters include the way cooperation is assessed and valued, prosecutorial discretion in the determination of damages, formulas for determining disgorgement, fines and/or penalties, the duration and amount of legal and investigative resources applied, political and social influences within each jurisdiction, and tax consequences of any settlements or previous deductions, among other considerations. Actual losses arising from claims in these, and related matters could exceed the amount provided.

In connection with alleged improper payments by Alstom relating to contracts won in 2006 and 2008 for work on a state-owned power plant in Šoštanj, Slovenia, the power plant owner in January 2017 filed an arbitration claim for damages of approximately $430 million before the International Chamber of Commerce Court of Arbitration in Vienna, Austria. In September 2020, the relevant Alstom legacy entity was served with an indictment, which we had anticipated as we had been working with the parties to resolve these matters. In March 2021, GE reached a settlement of the arbitration claim with the power plant owner for a mix of cash and services valued by the plant owner at approximately $307 million. In June and December 2021, respectively, GE entered a plea agreement with a judge of the Celje District Court with respect to the indictment of the relevant Alstom legacy entity, and GE reached a related settlement with the European Investment Bank; the plea and settlement include total payments of approximately $34 million.

Shareholder and related lawsuits. Since November 2017, several putative shareholder class actions under the federal securities laws have been filed against GE and certain affiliated individuals and consolidated into a single action currently pending in the U.S. District Court for the Southern District of New York (the Hachem case). In October 2019, the lead plaintiff filed a fifth amended consolidated class action complaint naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934 related to insurance reserves and accounting for long-term service agreements and seeks damages on behalf of shareholders who acquired GE stock between February 27, 2013 and January 23, 2018. GE filed a motion to dismiss in December 2019. In January 2021, the court granted defendants' motion to dismiss as to the majority of the claims. Specifically, the court dismissed all claims related to insurance reserves, as well as all claims related to accounting for long-term service agreements, with the exception of certain claims about historic disclosures related to factoring in the Power business that survive as to GE and its former CFO Jeffrey S. Bornstein. All other individual defendants have been dismissed from the case. In addition, the court denied the plaintiffs' request to amend their complaint again.

Since February 2018, multiple shareholder derivative lawsuits have been filed against current and former GE executive officers and members of GE's Board of Directors and GE (as nominal defendant). These lawsuits have alleged violations of securities laws, breaches of fiduciary duties, unjust enrichment, waste of corporate assets, abuse of control and gross mismanagement, although the specific matters underlying the allegations in the lawsuits have varied. Two shareholder derivative lawsuits are currently pending: the Lindsey and Priest/Tola cases, which were filed in New York state court. The allegations in these two cases relate to substantially the same facts as those underlying the Hachem case. The plaintiffs seek unspecified damages and improvements in GE's corporate governance and internal procedures. The Lindsey case has been stayed by agreement of the parties, and GE filed a motion to dismiss the Priest/Tola complaint in March 2021.

In July 2018, a putative class action (the Mahar case) was filed in New York state court naming as defendants GE, former GE executive officers, a former member of GE's Board of Directors and KPMG. It alleged violations of Sections 11, 12 and 15 of the Securities Act of 1933 based on alleged misstatements related to insurance reserves and performance of GE's business segments in GE Stock Direct Plan registration statements and documents incorporated therein by reference and seeks damages on behalf of shareholders who acquired GE stock between July 20, 2015 and July 19, 2018 through the GE Stock Direct Plan. In February 2019, this case was dismissed. In March 2019, plaintiffs filed an amended derivative complaint naming the same defendants. In April 2019, GE filed a motion to dismiss the amended complaint. In October 2019, the court denied GE's motion to dismiss and stayed the case pending the outcome of the Hachem case. In November 2019, the plaintiffs moved to re-argue to challenge the stay, and GE cross-moved to re-argue the denial of the motion to dismiss and filed a notice of appeal. The court denied both motions for re-argument, and in November 2020, the Appellate Division First Department affirmed the court's denial of GE's motion to dismiss. In January 2021, GE filed a motion for leave to appeal to the New York Court of Appeals, and that motion was denied in March 2021.

In February 2019, a securities action (the Touchstone case) was filed in the U.S. District Court for the Southern District of New York naming as defendants GE and current and former GE executive officers. It alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Section 1707.43 of the Ohio Securities Act and common law fraud based on alleged misstatements regarding insurance reserves, GE Power's revenue recognition practices related to long term service agreements, GE's acquisition of Alstom, and the goodwill recognized in connection with that transaction. The lawsuit seeks damages on behalf of six institutional investors who purchased GE common stock between August 1, 2014 and October 30, 2018 and rescission of those purchases. This case has been stayed pending resolution of the motion to dismiss the Hachem case. In May 2021, the plaintiffs filed an amended complaint, and GE in June 2021 filed a motion to dismiss that complaint.

As previously reported by Baker Hughes, in March 2019, two derivative lawsuits were filed in the Delaware Court of Chancery naming as defendants GE, directors of Baker Hughes (including former members of GE's Board of Directors and current and former GE executive officers) and Baker Hughes (as nominal defendant), and the court issued an order consolidating these two actions (the Schippnick case). The complaint as amended in May 2019 alleges, among other things, that GE and the Baker Hughes directors breached their fiduciary duties, and that GE was unjustly enriched by entering into transactions and agreements related to GE's sales of approximately 12% of its ownership interest in Baker Hughes in November 2018. The complaint seeks declaratory relief, disgorgement of profits, an award of damages, pre- and post-judgment interest and attorneys' fees and costs. In May 2019, the plaintiffs voluntarily dismissed their claims against the directors who were members of the Baker Hughes Conflicts Committee and a former Baker Hughes director. In October 2019, the Court denied the remaining defendants' motions to dismiss, except with respect to the unjust enrichment claim against GE, which has been dismissed. In November 2019, the defendants filed their answer to the complaint, and a special litigation committee of the Baker Hughes Board of Directors moved for an order staying all proceedings in this action pending completion of the committee's investigation of the allegations and claims asserted in the complaint. In October 2020, the special litigation committee filed a report with the Court recommending that the derivative action be terminated. In January 2021, the special committee filed a motion to terminate the action.

Other GE Retirement Savings Plan class actions. Four putative class action lawsuits have been filed regarding the oversight of the GE RSP, and those class actions have been consolidated into a single action in the U.S. District Court for the District of Massachusetts. The consolidated complaint names as defendants GE, GE Asset Management, current and former GE and GE Asset Management executive officers and employees who served on fiduciary bodies responsible for aspects of the GE RSP during the class period. Like similar lawsuits that have been brought against other companies in recent years, this action alleges that the defendants breached their fiduciary duties under ERISA in their oversight of the GE RSP, principally by retaining five proprietary funds that plaintiffs allege were underperforming as investment options for plan participants and by charging higher management fees than some alternative funds. The plaintiffs seek unspecified damages on behalf of a class of GE RSP participants and beneficiaries from September 26, 2011 through the date of any judgment. In August and December 2018, the court issued orders dismissing one count of the complaint and denying GE's motion to dismiss the remaining counts. We believe we have defenses to the claims and are responding accordingly.

Bank BPH. As previously reported, Bank BPH, along with other Polish banks, has been subject to ongoing litigation in Poland related to its portfolio of floating rate residential mortgage loans, with cases brought by individual borrowers seeking relief related to their foreign currency denominated mortgage loans in various courts throughout Poland. At December 31, 2021, approximately 87% of the Bank BPH portfolio is indexed to or denominated in foreign currencies (primarily Swiss francs), and the total portfolio had a carrying value, net of reserves, of $1,799 million. We continue to observe an increase in the number of lawsuits being brought against Bank BPH and other banks in Poland, and we expect this to continue in future reporting periods.

We estimate potential losses for Bank BPH in connection with borrower litigation cases that are pending by recording legal reserves, as well as in connection with potential future cases or other adverse developments as part of our ongoing valuation of the Bank BPH portfolio, which we record at the lower of cost or fair value, less cost to sell. The total amount of such estimated losses was $755 million and $315 million at December 31, 2021 and December 31, 2020, respectively. We update our assumptions underlying the amount of estimated losses based primarily on the number of lawsuits filed and estimated to be filed in the future, whether liability will be established in lawsuits and the nature of the remedy ordered by courts if liability is established. The increase in the amount of estimated losses during 2021 was driven primarily by increases in the number of lawsuits estimated to be filed in the future and increased findings of liability. We expect the trends we have previously reported of an increasing number of lawsuits being filed, more findings of liability and more severe remedies being ordered against Polish banks (including Bank BPH) to continue in future reporting periods, although Bank BPH is unable at this time to develop a meaningful estimate of reasonably possible losses associated with active and inactive Bank BPH mortgage loans beyond the amounts currently recorded. Additional factors may also affect our estimated losses over time, including: potentially significant judicial decisions or binding resolutions by the European Court of Justice (ECJ) or the Polish Supreme Court; the impact of any of these or other future or recent decisions or resolutions (including the ECJ decision in April 2021 on a case involving a Bank BPH mortgage loan, and the Polish Supreme Court binding resolution delivered verbally in May 2021 with written reasoning issued in July 2021) on how Polish courts will interpret and apply the law in particular cases and how borrower behavior may change in response, neither of which are known immediately upon the issuance of a decision or resolution; uncertainty related to a proposal by the Chairman of the Polish Financial Supervisory Authority in December 2020 that banks voluntarily offer borrowers an opportunity to convert their foreign currency denominated mortgage loans to Polish zlotys using an exchange rate applicable at the date of loan origination, and about the various settlement strategies or other approaches that Polish banks have adopted or will adopt, or that Bank BPH may adopt in the future, in response to this proposal or other factors, and the approaches that regulators and other government authorities will adopt in response; and uncertainty arising from investigations of the Polish Office of Competition and Consumer Protection (UOKiK), including existing or anticipated UOKiK decisions resulting from those investigations. Future adverse developments related to any of the foregoing, or other adverse developments such as actions by regulators or other governmental authorities, likely would have a material adverse effect on Bank BPH and the carrying value of its mortgage loan portfolio as well as result in additional required capital contributions to Bank BPH or significant losses beyond the amounts that we currently estimate.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS. Our operations, like operations of other companies engaged in similar businesses, involve the use, disposal and cleanup of substances regulated under environmental protection laws and nuclear decommissioning regulations. We have obligations for ongoing and future environmental remediation activities, such as the Housatonic River cleanup described below, and may incur additional liabilities in connection with previously remediated sites, such as natural resource damages for the Hudson River where GE completed dredging in 2019. Additionally, like many other industrial companies, we and our subsidiaries are defendants in various lawsuits related to alleged worker exposure to asbestos or other hazardous materials. Liabilities for environmental remediation, nuclear decommissioning and worker exposure claims exclude possible insurance recoveries. It is reasonably possible that our exposure will exceed amounts accrued. However, due to uncertainties about the status of laws, regulations, technology and information related to individual sites and lawsuits, such amounts are not reasonably estimable. Total reserves related to environmental remediation, nuclear decommissioning and worker exposure claims were $2,660 million and $2,569 million at December 31, 2021 and 2020, respectively.

As previously reported, in 2000, GE and the Environmental Protection Agency (EPA) entered into a consent decree relating to PCB cleanup of the Housatonic River in Massachusetts. Following the EPA's release in September 2015 of an intended final remediation decision, GE and the EPA engaged in mediation and the first step of the dispute resolution process contemplated by the consent decree. In October 2016, the EPA issued its final decision pursuant to the consent decree, which GE and several other interested parties appealed to the EPA's Environmental Appeals Board (EAB). The EAB issued its decision in January 2018, affirming parts of the EPA's decision and granting relief to GE on certain significant elements of its challenge. The EAB remanded the decision back to the EPA to address those elements and reissue a revised final remedy, and the EPA convened a mediation process with GE and interested stakeholders. In February 2020, the EPA announced an agreement between the EPA and many of the mediation stakeholders, including GE, concerning a revised Housatonic River remedy. Based on the mediated resolution, the EPA solicited public comment on a draft permit and issued the final revised permit effective in January 2021. In March 2021, two local environmental advocacy groups filed a joint petition to the EAB challenging portions of the revised permit, and EPA and GE are defending that appeal. As of December 31, 2021, and based on its assessment of current facts and circumstances and its defenses, GE believes that it has recorded adequate reserves to cover future obligations associated with the proposed final remedy.

Expenditures for site remediation, nuclear decommissioning and worker exposure claims amounted to approximately $193 million, $180 million and $236 million for the years ended December 31, 2021, 2020 and 2019, respectively. We presently expect that such expenditures will be approximately $350 million and $250 million in 2022 and 2023, respectively.

NOTE 23. OPERATING SEGMENTS

BASIS FOR PRESENTATION. Our operating businesses are organized based on the nature of markets and customers. Segment accounting policies are the same as described and referenced in Note 1. Segment results for our financial services businesses reflect the discrete tax effect of transactions. A description of our operating segments as of December 31, 2021 can be found in the Segment Operations section within MD&A.

REVENUES	Total revenues			Intersegment revenues			External revenues		
Years ended December 31	2021	2020	2019	2021	2020	2019	2021	2020	2019
Aviation	$ 21,310	$ 22,042	$ 32,875	$ 1,036	$ 1,445	$ 758	$ 20,274	$ 20,597	$ 32,117
Healthcare	17,725	18,009	19,942	1	1	—	17,724	18,008	19,942
Renewable Energy	15,697	15,666	15,337	138	142	139	15,559	15,523	15,198
Power	16,903	17,589	18,625	345	352	357	16,558	17,237	18,267
Corporate	2,561	2,528	3,442	(1,520)	(1,941)	(1,254)	4,081	4,468	4,696
Total	$ 74,196	$ 75,833	$ 90,221	$ —	$ —	$ —	$ 74,196	$ 75,833	$ 90,221

	Years ended December 31								
	2021			2020			2019		
	Equipment	Services	Total	Equipment	Services	Total	Equipment	Services	Total
Aviation	$ 7,531	$ 13,780	$ 21,310	$ 8,582	$ 13,460	$ 22,042	$ 12,737	$ 20,138	$ 32,875
Healthcare	9,104	8,620	17,725	9,992	8,017	18,009	11,585	8,357	19,942
Renewable Energy	13,224	2,473	15,697	12,859	2,807	15,666	12,267	3,069	15,337
Power	5,035	11,868	16,903	6,707	10,883	17,589	6,247	12,378	18,625
Total segment revenues	$ 34,894	$ 36,741	$ 71,635	$ 38,140	$ 35,166	$ 73,306	$ 42,837	$ 43,942	$ 86,778

SEGMENT REVENUES	Years ended December 31		
	2021	2020	2019
Commercial Engines & Services	$ 14,360	$ 14,479	$ 24,769
Military	4,136	4,572	4,389
Systems & Other	2,814	2,991	3,718
Aviation	$ 21,310	$ 22,042	$ 32,875
Healthcare Systems	$ 15,694	$ 15,387	$ 14,648
Pharmaceutical Diagnostics	2,031	1,792	2,005
BioPharma	—	830	3,289
Healthcare	$ 17,725	$ 18,009	$ 19,942
Onshore Wind	$ 11,026	$ 10,881	$ 10,421
Grid Solutions equipment and services	3,207	3,585	4,016
Hydro, Offshore Wind and Hybrid Solutions	1,464	1,200	900
Renewable Energy	$ 15,697	$ 15,666	$ 15,337
Gas Power	$ 12,080	$ 12,655	$ 13,122
Steam Power	3,241	3,557	4,021
Power Conversion, Nuclear and other	1,582	1,378	1,482
Power	$ 16,903	$ 17,589	$ 18,625
Total segment revenues	$ 71,635	$ 73,306	$ 86,778
Corporate	$ 2,561	$ 2,528	$ 3,442
Total revenues	$ 74,196	$ 75,833	$ 90,221

Revenues are classified according to the region to which equipment and services are sold. For purposes of this analysis, the U.S. is presented separately from the remainder of the Americas.

Year ended December 31, 2021	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
U.S.	$ 9,675	$ 7,229	$ 7,275	$ 6,186	$ 2,473	$ 32,838
Non-U.S.						
Europe	3,920	3,702	3,651	3,621	52	14,946
China region	2,419	2,700	464	1,145	16	6,744
Asia (excluding China region)	1,758	2,345	1,959	2,090	(45)	8,107
Americas	1,310	923	1,009	1,239	(4)	4,476
Middle East and Africa	2,228	826	1,340	2,622	69	7,085
Total Non-U.S.	$ 11,635	$ 10,496	$ 8,422	$ 10,717	$ 88	$ 41,358
Total geographic revenues	$ 21,310	$ 17,725	$ 15,697	$ 16,903	$ 2,561	$ 74,196
Non-U.S. revenues as a % of total revenues	55 %	59 %	54 %	63 %		56 %

Year ended December 31, 2020	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
U.S.	$ 11,239	$ 7,611	$ 7,846	$ 6,186	$ 2,336	$ 35,217
Non-U.S.						
Europe	4,288	3,952	3,047	2,895	159	14,342
China region	2,078	2,455	1,156	1,253	35	6,978
Asia (excluding China region)	1,842	2,264	1,484	2,707	(55)	8,241
Americas	882	879	819	1,483	1	4,064
Middle East and Africa	1,713	848	1,314	3,064	52	6,991
Total Non-U.S.	$ 10,803	$ 10,398	$ 7,820	$ 11,403	$ 192	$ 40,616
Total geographic revenues	$ 22,042	$ 18,009	$ 15,666	$ 17,589	$ 2,528	$ 75,833
Non-U.S. revenues as a % of total revenues	49 %	58 %	50 %	65 %		54 %

Year ended December 31, 2019	Aviation	Healthcare	Renewable Energy	Power	Corporate	Total
U.S.	$ 13,384	$ 8,526	$ 7,413	$ 5,992	$ 3,648	$ 38,963
Non-U.S.						
Europe	7,452	4,132	2,925	3,140	(131)	17,519
China region	3,050	2,747	698	974	(27)	7,442
Asia (excluding China region)	3,591	2,690	2,038	3,044	(102)	11,260
Americas	1,593	1,056	1,064	1,915	(31)	5,597
Middle East and Africa	3,805	792	1,198	3,560	86	9,441
Total Non-U.S.	$ 19,491	$ 11,416	$ 7,924	$ 12,633	$ (206)	$ 51,258
Total geographic revenues	$ 32,875	$ 19,942	$ 15,337	$ 18,625	$ 3,442	$ 90,221
Non-U.S. revenues as a % of total revenues	59 %	57 %	52 %	68 %		57 %

REMAINING PERFORMANCE OBLIGATION. As of December 31, 2021, the aggregate amount of the contracted revenues allocated to our unsatisfied (or partially unsatisfied) performance obligations was $239,820 million. We expect to recognize revenue as we satisfy our remaining performance obligations as follows: 1) equipment-related remaining performance obligation of $45,065 million of which 53%, 77% and 98% is expected to be recognized within 1, 2 and 5 years, respectively, and the remaining thereafter; and 2) services-related remaining performance obligations of $194,755 million of which 10%, 41%, 63% and 80% is expected to be recognized within 1, 5, 10 and 15 years, respectively, and the remaining thereafter. Contract modifications could affect both the timing to complete as well as the amount to be received as we fulfill the related remaining performance obligations.

Total sales of equipment and services to agencies of the U.S. Government were 6%, 7% and 5% of total revenues for the years ended December 31, 2021, 2020 and 2019, respectively. Within our Aviation segment, defense-related sales were 5%, 6% and 4% of total revenues for the years ended December 31, 2021, 2020 and 2019, respectively.

PROFIT AND EARNINGS For the years ended December 31	2021	2020	2019
Aviation	$ 2,882	$ 1,229	$ 6,812
Healthcare	2,966	3,060	3,737
Renewable Energy	(795)	(715)	(791)
Power	726	274	291
Total segment profit	5,778	3,848	10,049
Corporate(a)	892	8,061	(2,537)
Goodwill impairments	—	(877)	(1,486)
Interest and other financial charges	(1,813)	(2,018)	(2,826)
Debt extinguishment costs	(6,524)	(301)	(256)
Non-operating benefit costs	(1,782)	(2,430)	(2,839)
Benefit (provision) for income taxes	124	333	(718)
Preferred dividends	(237)	(474)	(460)
Earnings (loss) from continuing operations attributable to GE common shareholders	(3,562)	6,141	(1,073)
Earnings (loss) from discontinued operations attributable to GE common shareholders	(3,195)	(911)	(4,366)
Net earnings (loss) attributable to GE common shareholders	$ (6,757)	$ 5,230	$ (5,439)

(a) Includes interest and other financial charges of $63 million, $50 million and $101 million and benefit for income taxes of $162 million, $154 million and $166 million related to EFS within Corporate for the years ended December 31, 2021, 2020, and 2019, respectively.

	Assets			Property, plant and equipment additions(a)			Depreciation and amortization		
	At December 31			For the years ended December 31			For the years ended December 31		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Aviation	$ 38,298	$ 38,634	$ 41,083	$ 445	$ 737	$ 1,031	$ 1,074	$ 1,142	$ 1,150
Healthcare	24,770	22,229	30,503	278	256	395	641	628	702
Renewable Energy	14,804	15,927	15,935	349	302	455	432	413	425
Power	23,569	24,453	26,731	189	245	277	692	749	880
Corporate(b)	94,256	114,220	110,309	25	40	58	168	531	384
Total continuing	$ 195,697	$ 215,463	$ 224,562	$ 1,286	$ 1,579	$ 2,216	$ 3,009	$ 3,464	$ 3,541

(a) Additions to property, plant and equipment include amounts relating to principal businesses purchased.
(b) Included deferred income taxes that are presented as assets for purposes of our Statement of Financial Position presentation.

We classify certain assets that cannot meaningfully be associated with specific geographic areas as "Other Global" for this purpose.

December 31	2021	2020
U.S.	$ 130,956	$ 139,768
Non-U.S.		
Europe	42,213	50,121
Asia	11,534	12,974
Americas	6,406	7,084
Other Global	4,588	5,516
Total Non-U.S.	$ 64,741	$ 75,695
Total assets (Continuing operations)	$ 195,697	$ 215,463

The decrease in continuing assets in 2021 was primarily driven by lower volume and the impact of COVID-19, higher net repayment of borrowings, and funding of the GE Pension Plan. Property, plant and equipment – net associated with operations based in the United States were $8,411 million and $9,077 million at December 31, 2021 and 2020, respectively. Property, plant and equipment – net associated with operations based outside the United States were $7,198 million and $7,622 million at December 31, 2021 and 2020, respectively.

NOTE 24. SUMMARIZED FINANCIAL INFORMATION. We account for our remaining interest in Baker Hughes (comprising 166.6 million shares with approximately 16% ownership interest as of December 31, 2021) at fair value. As of November 3, 2021, our investment in BKR ownership reduced below 20%, and as a result, we no longer have significant influence in BKR. The fair value of our interest in Baker Hughes at December 31, 2021 and 2020 was $4,010 million and $7,319 million, respectively. We recognized a realized and unrealized pre-tax gain of $938 million ($696 million after-tax) based on a share price of $24.06, a realized and unrealized pre-tax loss of $2,037 million ($1,562 million after-tax) based on a share price of $20.85 and a pre-tax unrealized gain of $793 million ($626 million after-tax) based on a share price of $25.63 for the years ended December 31, 2021, 2020 and 2019, respectively. The 2021 gain and 2020 loss included a $129 million pre-tax derivative gain and a $54 million pre-tax derivative loss, respectively, associated with the forward sale of Baker Hughes shares pursuant to our previously announced program to monetize our Baker Hughes position. During the years ended December 31, 2021 and 2020, we completed forward sales of 183 million and 28 million shares and received proceeds of $4,145 million and $417 million, respectively. In February 2022, we completed a forward sale of 50 million shares and received proceeds of $1,302 million. See Notes 2 and 3 for further information. Summarized financial information of Baker Hughes is as follows.

For the years ended December 31	2021(a)	2020	2019(b)
Revenues	$ 16,997	$ 20,705	$ 7,751
Gross Profit	3,276	3,199	1,558
Net income (loss)	(546)	(15,761)	120
Net income (loss) attributable to the entity	(407)	(9,940)	60

(a) Financial information is from January 1, 2021 to November 3, 2021 (date investment in BKR reduced below 20%).
(b) Financial information is from September 16, 2019 (date of deconsolidation) to December 31, 2019.

As of December 31	2021(a)	2020
Current	$ —	$ 16,455
Noncurrent	—	21,552
Total assets	$ —	$ 38,007
Current	$ —	$ 10,227
Noncurrent	—	9,538
Total liabilities	$ —	$ 19,765
Noncontrolling interests	$ —	$ 5,349

(a) As of November 3, 2021 (date investment in BKR reduced below 20%). As a result, we no longer have significant influence in BKR.

On November 1, 2021, we received 111.5 million ordinary shares of AerCap (approximately 46% ownership interest) and an AerCap senior note as partial consideration in conjunction with the GECAS transaction, for which we have adopted the fair value option. The fair value of our interest in AerCap, including the note, at December 31, 2021 was $8,287 million. See Notes 2 and 3 for further information. Given AerCap summarized financial information is not available as of the date of this filing, this information will be reported on a lag in future periods beginning in 2022.

Baker Hughes and AerCap are SEC registrants with separate filing requirements, and their respective financial information can be obtained from www.sec.gov.

NOTE 25. QUARTERLY INFORMATION (UNAUDITED)

	First quarter		Second quarter		Third quarter		Fourth quarter	
(Per-share amounts in dollars)	2021	2020	2021	2020	2021	2020	2021	2020
Total revenues	$ 17,071	$ 19,380	$ 18,253	$ 16,811	$ 18,569	$ 18,609	$ 20,303	$ 21,033
Sales of equipment and services	16,316	18,791	17,470	16,048	17,813	17,866	19,492	20,264
Cost of equipment and services sold	12,538	14,426	13,618	13,633	13,401	14,042	14,338	15,770
Earnings (loss) from continuing operations	97	6,254	(571)	(1,138)	582	(1,137)	(3,504)	2,479
Earnings (loss) from discontinued operations	(2,894)	(21)	(564)	(993)	602	(58)	(339)	161
Net earnings (loss)	(2,798)	6,233	(1,135)	(2,132)	1,184	(1,195)	(3,843)	2,640
Less net earnings (loss) attributable to noncontrolling interests	5	34	(3)	(145)	(73)	(51)	1	3
Net earnings (loss) attributable to the Company	$ (2,802)	$ 6,199	$ (1,131)	$ (1,987)	$ 1,257	$ (1,144)	$ (3,843)	$ 2,636
Per-share amounts – earnings (loss) from continuing operations								
Diluted earnings (loss) per share	$ 0.02	$ 5.63	$ (0.57)	$ (1.21)	$ 0.54	$ (1.04)	$ (3.24)	$ 2.05
Basic earnings (loss) per share	0.02	5.64	(0.57)	(1.21)	0.54	(1.04)	(3.24)	2.07
Per-share amounts – earnings (loss) from discontinued operations								
Diluted earnings (loss) per share	(2.62)	(0.02)	(0.51)	(0.91)	0.54	(0.05)	(0.31)	0.13
Basic earnings (loss) per share	(2.64)	(0.02)	(0.51)	(0.91)	0.55	(0.05)	(0.31)	0.14
Per-share amounts – net earnings (loss)								
Diluted earnings (loss) per share	(2.60)	5.61	(1.08)	(2.12)	1.08	(1.09)	(3.55)	2.19
Basic earnings (loss) per share	(2.62)	5.62	(1.08)	(2.12)	1.09	(1.09)	(3.55)	2.22
Dividends declared	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08

Earnings-per-share amounts are computed independently each quarter for earnings (loss) from continuing operations, earnings (loss) from discontinued operations and net earnings (loss). As a result, the sum of each quarter's per-share amount may not equal the total per-share amount for the respective year; and the sum of per-share amounts from continuing operations and discontinued operations may not equal the total per-share amounts for net earnings (loss) for the respective quarters.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information about our Executive Officers (As of February 1, 2022)

Name	Position	Age	Date assumed Executive Officer Position
H. Lawrence Culp, Jr.	Chairman of the Board & Chief Executive Officer	58	October 2018
Carolina Dybeck Happe	Senior Vice President & Chief Financial Officer	49	March 2020
L. Kevin Cox	Senior Vice President, Chief Human Resources Officer	58	February 2019
Michael J. Holston	Senior Vice President, General Counsel & Secretary	59	April 2018
Peter J. Arduini	Senior Vice President of General Electric Company; President & CEO, GE Healthcare	57	January 2022
Jérôme X. Pécresse	Senior Vice President of General Electric Company; President & CEO, GE Renewable Energy	54	September 2018
John Slattery	Senior Vice President of General Electric Company; President & CEO, GE Aviation	53	September 2020
Russell Stokes	Senior Vice President of General Electric Company; President & CEO, GE Aviation Services	50	September 2018
Scott L. Strazik	Senior Vice President of General Electric Company; President & CEO, GE Power	43	January 2019
Thomas S. Timko	Vice President, Controller & Chief Accounting Officer	53	September 2018

All Executive Officers are elected by the Board of Directors for an initial term that continues until the Board meeting immediately preceding the next annual statutory meeting of shareholders, and thereafter are elected for one-year terms or until their successors have been elected. Other than Messrs. Culp, Cox, Holston, Arduini, Slattery and Timko and Ms. Dybeck Happe, the Executive Officers have been executives of General Electric Company for at least five years.

Prior to joining GE in April 2018 as an independent director and being elected to the position of Chairman and CEO in October 2018, Mr. Culp served as CEO at Danaher Corp. (2001-2014); as a senior advisor at Danaher Corp. (2014-2016); as a senior lecturer at Harvard Business School (2015-2018); and as a senior adviser at Bain Capital Private Equity, LP (2017-2018).

Prior to joining GE in March 2020, Ms. Dybeck Happe had been Chief Financial Officer of A.P. Moller - Maersk A/S since 2019 after serving as Chief Financial Officer of Assa Abloy AB since 2012 until 2018.

Prior to joining GE in February 2019, Mr. Cox had been Chief Human Resources Officer at American Express since 2005.

Prior to joining GE in April 2018, Mr. Holston had been general counsel at Merck since 2015, after joining the drugmaker as chief ethics and compliance officer in 2012.

Prior to joining GE in December 2021, Mr. Arduini had been President and Chief Executive Officer of Integra LifeSciences since January 2012.

Prior to joining GE in July 2020, Mr. Slattery had been President and Chief Executive Officer of Commercial Aviation for Embraer, S.A. since 2016 after serving as the Chief Commercial Officer for Embraer Commercial Aviation since 2012.

Prior to joining GE in September 2018, Mr. Timko was Vice President, Controller and Chief Accounting Officer at General Motors since 2013.

The remaining information called for by this item is incorporated by reference to "Election of Directors," "Other Governance Policies & Practices" and "Board Operations" in our definitive proxy statement for our 2022 Annual Meeting of Shareholders to be held May 4, 2022, which will be filed within 120 days of the end of our fiscal year ended December 31, 2021 (the 2022 Proxy Statement).

EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)1. Financial Statements

Included in the "Financial Statements and Supplementary Data" section of this report:

Management's Annual Report on Internal Control Over Financial Reporting
Reports of Independent Registered Public Accounting Firms
Statement of Earnings (Loss) for the years ended December 31, 2021, 2020 and 2019
Statement of Financial Position at December 31, 2021 and 2020
Statement of Cash Flows for the years ended December 31, 2021, 2020 and 2019
Statement of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and 2019
Statement of Changes in Shareholders' Equity for the years ended December 31, 2021, 2020 and 2019
Notes to consolidated financial statements
Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary of Operating Segments

(a)2. Financial Statement Schedules

The schedules listed in Reg. 210.5-04 have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(a)3. Exhibit Index

Exhibit

2(a) Transaction Agreement, dated as of March 9, 2021 by and among GE Ireland USD Holdings ULC, GE Financial Holdings ULC, GE Capital US Holdings, Inc., General Electric Company, AerCap Holdings N.V., AerCap US Aviation LLC, and AerCap Aviation Leasing Limited (Incorporated by reference to Exhibit 2.1 to GE's Current Report on Form 8-K, dated March 12, 2021 (Commission file no. 001-00035)).

3(i) The Restated Certificate of Incorporation of General Electric Company (Incorporated by reference to Exhibit 3(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2013), as amended by the Certificate of Amendment, dated December 2, 2015 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated December 3, 2015), as further amended by the Certificate of Amendment, dated January 19, 2016 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated January 20, 2016), as further amended by the Certificate of Change of General Electric Company (Incorporated by reference to Exhibit 3(1) to GE's Current Report on Form 8-K, dated September 1, 2016), as further amended by the Certificate of Amendment, dated May 13, 2019 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated May 13, 2019), as further amended by the Certificate of Change of General Electric Company (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated December 9, 2019), as further amended by the Certificate of Amendment, dated July 30, 2021 (Incorporated by reference to Exhibit 3.1 to GE's Current Report on Form 8-K, dated July 30, 2021) (in each case, under Commission file number 001-00035).

3(ii) The By-Laws of General Electric Company, as amended on May 13, 2019 (Incorporated by reference to Exhibit 3.2 to GE's Current Report on Form 8-K dated May 13, 2019) (Commission file number 001-00035)).

4(a) Amended and Restated General Electric Capital Corporation Standard Global Multiple Series Indenture Provisions dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(a) to General Electric Capital Corporation's Registration Statement on Form S-3, File No. 333-59707 (Commission file number 001-06461)).

4(b) Third Amended and Restated Indenture dated as of February 27, 1997, between General Electric Capital Corporation and The Bank of New York Mellon, as successor trustee (Incorporated by reference to Exhibit 4(c) to General Electric Capital Corporation's Registration Statement on Form S-3, File No. 333-59707 (Commission file number 001-06461)).

4(c) First Supplemental Indenture dated as of May 3, 1999, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(dd) to General Electric Capital Corporation's Post-Effective Amendment No. 1 to Registration Statement on Form S-3, File No. 333-76479 (Commission file number 001-06461)).

4(d) Second Supplemental Indenture dated as of July 2, 2001, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(f) to General Electric Capital Corporation's Post-Effective Amendment No.1 to Registration Statement on Form S-3, File No. 333-40880 (Commission file number 001-06461)).

4(e) Third Supplemental Indenture dated as of November 22, 2002, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(cc) to General Electric Capital Corporation's Post-Effective Amendment No. 1 to the Registration Statement on Form S-3, File No. 333-100527 (Commission file number 001-06461)).

4(f) Fourth Supplemental Indenture dated as of August 24, 2007, supplemental to Third Amended and Restated Indenture dated as of February 27, 1997 (Incorporated by reference to Exhibit 4(g) to General Electric Capital Corporation's Registration Statement on Form S-3, File number 333-156929 (Commission file number 001-06461)).

4(g) Senior Note Indenture, dated October 9, 2012, by and between the Company and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.1 of GE's Current Report on Form 8-K dated October 9, 2012 (Commission file number 001-00035)).

4(h) Indenture dated as of October 26, 2015, among GE Capital International Funding Company, as issuer, General Electric Company and General Electric Capital Corporation, as guarantors and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 99 to General Electric's Current Report on Form 8-K filed on October 26, 2015 (Commission file number 001-00035)).

4(i) Global Supplemental Indenture dated as of April 10, 2015, among General Electric Capital Corporation, General Electric Company and The Bank of New York Mellon, as trustee. (Incorporated by reference to Exhibit 4(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (Commission file number 001-00035)).

4(j) Second Global Supplemental Indenture dated as of December 2, 2015, among General Electric Capital Corporation, General Electric Company and The Bank of New York Mellon, as successor trustee (Incorporated by reference to Exhibit 4.2 to General Electric's Current Report on Form 8-K filed on December 3, 2015 (Commission file number 001-00035)).

4(k) Agreement to furnish to the Securities and Exchange Commission upon request a copy of instruments defining the rights of holders of certain long-term debt of the registrant and consolidated subsidiaries.*

4(l) Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.*

(10) Except for 10(kk) and (ll) below, all of the following exhibits consist of Executive Compensation Plans or Arrangements:

(a) General Electric Executive Life Insurance Plan, as amended January 1, 2022.*

(b) General Electric Leadership Life Insurance Program, effective January 1, 2022.*

(c) General Electric Directors' Charitable Gift Plan, as amended through December 2002 (Incorporated by reference to Exhibit 10(i) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (Commission file number 001-00035)).

(d) General Electric Supplementary Pension Plan, as amended effective January 1, 2021.*

(e) General Electric Restoration Plan, effective January 1, 2021(Incorporated by reference to Exhibit 10(g) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(f) General Electric 2003 Non-Employee Director Compensation Plan, Amended and Restated as of December 7, 2018 (Incorporated by reference to Exhibit 10(g) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018(Commission file number 001-00035)).

(g) Form of Director Indemnification Agreement (Incorporated by reference to Exhibit 10(cc) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (Commission file number 001-00035)).

(h) Amendment to Nonqualified Deferred Compensation Plans, dated as of December 14, 2004 (Incorporated by reference to Exhibit 10(w) to the GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 (Commission file number 001-00035)).

(i) GE Retirement for the Good of the Company Program, as amended effective January 1, 2018 (Incorporated by reference to Exhibit 10(k) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(j) GE US Executive Severance Plan, effective January 1, 2022.*

(k) GE Excess Benefits Plan, effective January 1, 2009 (Incorporated by reference to Exhibit 10(k) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission file number 001-00035)).

(l) Amendment to GE Excess Benefits Plan, effective December 31, 2020 (Incorporated by reference to Exhibit 10(n) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(m) General Electric 2006 Executive Deferred Salary Plan, as amended January 1, 2009 (Incorporated by reference to Exhibit 10(l) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission file number 001-00035)).

(n) GE 2007 Long-Term Incentive Plan as amended and restated April 26, 2017, as further amended and restated February 15, 2019, and as further amended and restated July 30, 2021 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(o) Amendment, dated August 18, 2020, to the GE 2007 Long-Term Incentive Plan (as amended and restated April 26, 2017, and as further amended and restated February 15, 2019) (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(p) Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2021 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended March 30, 2021 (Commission file number 001-00035)).

(q) Form of Agreement for Stock Option Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2020 (Incorporated by reference to Exhibit 10(r) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(r) Form of Agreement for Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2021(Incorporated by reference to Exhibit 10(b) to GE's Quarterly Report on Form 10-Q for the quarter ended March 30, 2021 (Commission file number 001-00035)).

(s) Form of Agreement for Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of March 2020 (Incorporated by reference to Exhibit 10(s) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(t) Form of Agreement for Leadership Restricted Stock Unit Grants to Executive Officers under the General Electric Company 2007 Long-Term Incentive Plan, as of September 2020 (Incorporated by reference to Exhibit 10(t) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(u) Form of Agreement for Performance Stock Unit Grants to Executive Officers in 2021 under the General Electric Company 2007 Long-Term Incentive Plan, as amended July 30, 2021 (Incorporates by reference to Exhibit 10(b) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(v) Form of Agreement for Performance Stock Unit Grants to Executive Officers in 2020 under the General Electric Company 2007 Long-Term Incentive Plan (Incorporated by reference to Exhibit 10(v) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (Commission file number 001-00035)).

(w) Form of Agreement for Performance Stock Unit Grants to Executive Officers in 2019 under the General Electric Company 2007 Long-Term Incentive Plan (Incorporated by reference to Exhibit 10(r) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (Commission file number 001-00035)).

(x) General Electric International Employee Stock Purchase Plan, as amended and restated on April 25, 2018 (Incorporated by reference to Exhibit 99.1 to GE's Registration Statement on Form S-8, dated May 1, 2018, File No. 333-224587 (Commission file number 001-00035)).

(y) General Electric Company Annual Executive Incentive Plan, effective January 1, 2020 (Incorporated by reference to Exhibit 10(a) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (Commission file number 001-00035)).

(z) Employment Agreement between H. Lawrence Culp, Jr. and General Electric Company, effective October 1, 2018 (Incorporated by reference to Exhibit 10(z) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (Commission file number 001-00035)).

(aa) Amendment No.1, effective August 18, 2020, to the Employment Agreement between H. Lawrence Culp, Jr. and General Electric Company, effective October 1, 2018 (Incorporated by reference to Exhibit 10.1 to General Electric Company's Current Report on Form 8-K, dated August 20, 2020 (Commission file number 001-00035)).

(bb) Performance Share Grant Agreement for H. Lawrence Culp, Jr., dated August 18, 2020 (Incorporated by reference to Exhibit 10.2 to General Electric Company's Current Report on Form 8-K, dated August 20, 2020 (Commission file number 001-00035)).

(cc) Notice of Adjustment to the Performance Share Grant Agreement for H. Lawrence Culp, Jr., effective July 30, 2021 (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(dd) Employment Agreement between Carolina Dybeck Happe and General Electric Company, effective November 24, 2019 (Incorporated by reference to Exhibit 10(z) to GE's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (Commission file number 001-00035)).

(ee) Memorandum of Understanding between General Electric Company and Carolina Dybeck Happe, effective March 1, 2020 (Incorporated by reference to Exhibit 10(c) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (Commission file number 001-00035)).

(ff) Amendment No. 1, effective September 2, 2020, to the Employment Agreement between Carolina Dybeck Happe and General Electric Company, effective November 24, 2019 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(gg) Performance Stock Unit Grant Agreement for Carolina Dybeck Happe, dated September 3, 2020 (Incorporated by reference to Exhibit 10(e) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (Commission file number 001-00035)).

(hh) Notice of Adjustment to the Performance Stock Unit Grant Agreement for Carolina Dybeck Happe, effective July 30, 2021 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (Commission file number 001-00035)).

(ii) Offer Letter Agreement for John Slattery, dated June 12, 2020 (Incorporated by reference to Exhibit 10(d) to GE's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (Commission file number 001-00035)).

(jj) Separation Agreement & Release between General Electric Company and Kieran Murphy, dated December 21, 2021.*

(kk) Amended and Restated Agreement, dated April 10, 2015, between General Electric Company and General Electric Capital Corporation (Incorporated by reference to Exhibit 10 to GE's Current Report on Form 8-K, dated April 10, 2015 (Commission file number 001-00035)).

(ll) Amended and Restated Credit Agreement, dated as of May 27, 2021, among General Electric Company, as the borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto (Incorporated by reference to Exhibit 10 to GE's Current Report on Form 8-K, dated May 27, 2021 (Commission file number 001-00035)).

(11) Statement re Computation of Per Share Earnings.**

(21) Subsidiaries of Registrant.*

(22) List of Subsidiary Guarantors and Issuers of Guaranteed Securities.*

23(a) Consent of Independent Registered Public Accounting Firm (Deloitte).*

23(b) Consent of Independent Registered Public Accounting Firm (KPMG).*

(24) Power of Attorney.*

31(a) Certification Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.*

31(b) Certification Pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.*

(32) Certification Pursuant to 18 U.S.C. Section 1350.*

99(a) Supplement to Present Required Information in Searchable Format.*

(101) The following materials from General Electric Company's Annual Report on Form 10-K for the year ended December 31, 2021, formatted as Inline XBRL (eXtensible Business Reporting Language); (i) Statement of Earnings (Loss) for the years ended December 31, 2021, 2020 and 2019, (ii) Statement of Financial Position at December 31, 2021 and 2020, (iii) Statement of Cash Flows for the years ended December 31, 2021, 2020 and 2019, (iv) Statement of Comprehensive Income (Loss) for the years ended December 31, 2021, 2020 and , (v) Statement of Changes in Shareholders' Equity for the years ended December 31, 2021, 2020 and , and (vi) the Notes to Consolidated Financial Statements.*

(104) Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed electronically herewith

** Information required to be presented in Exhibit 11 is provided in Note 17 to the consolidated financial statements in this Form 10-K Report in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification 260, *Earnings Per Share*.

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(a) Incorporated by reference to "Compensation" in the 2022 Proxy Statement.

(b) Incorporated by reference to "Stock Ownership Information" in the 2022 Proxy Statement.

(c) Incorporated by reference to "Related Person Transactions" and "How We Assess Director Independence" in the 2022 Proxy Statement.

(d) Incorporated by reference to "Independent Auditor Information" in the 2022 Proxy Statement for Deloitte and Touche LLP (PCAOB ID No. 34) and KPMG LLP (PCAOB ID No. 185).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report on Form 10-K for the fiscal year ended December 31, 2021, to be signed on its behalf by the undersigned, and in the capacities indicated, thereunto duly authorized in the City of Boston and Commonwealth of Massachusetts on the 11th day of February 2022.

General Electric Company
(Registrant)

By /s/ Carolina Dybeck Happe

Carolina Dybeck Happe
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signer	Title	Date
/s/ Carolina Dybeck Happe Carolina Dybeck Happe Senior Vice President and Chief Financial Officer	Principal Financial Officer	February 11, 2022
/s/ Thomas S. Timko Thomas S. Timko Vice President, Chief Accounting Officer and Controller	Principal Accounting Officer	February 11, 2022
/s/ H. Lawrence Culp, Jr. H. Lawrence Culp, Jr.* Chairman of the Board of Directors	Principal Executive Officer	February 11, 2022
Sébastien M. Bazin*	Director	
Ashton B. Carter*	Director	
Francisco D'Souza*	Director	
Edward P. Garden*	Director	
Thomas W. Horton*	Director	
Risa Lavizzo-Mourey*	Director	
Catherine A. Lesjak*	Director	
Paula Rosput Reynolds*	Director	
Leslie F. Seidman*	Director	
James S. Tisch*	Director	

A majority of the Board of Directors

*By /s/ Michael J. Holston

Michael J. Holston
Attorney-in-fact
February 11, 2022

Exhibit 31(a)

Certification Pursuant to
Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Amended

I, H. Lawrence Culp, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of General Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2022

/s/ H. Lawrence Culp, Jr.
H. Lawrence Culp, Jr.
Chairman & Chief Executive Officer

Exhibit 31(b)

Certification Pursuant to
Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Amended

I, Carolina Dybeck Happe, certify that:

1. I have reviewed this annual report on Form 10-K of General Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2022

/s/ Carolina Dybeck Happe
Carolina Dybeck Happe
Chief Financial Officer

Exhibit 32

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Annual Report of General Electric Company (the “registrant”) on Form 10-K for the period ended December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “report”), we, H. Lawrence Culp, Jr. and Carolina Dybeck Happe, Chief Executive Officer and Chief Financial Officer, respectively, of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

February 11, 2022

/s/ H. Lawrence Culp, Jr.
H. Lawrence Culp, Jr.
Chairman & Chief Executive Officer

/s/ Carolina Dybeck Happe
Carolina Dybeck Happe
Chief Financial Officer

EXECUTIVE OFFICES

General Electric Company
5 Necco Street, Boston, MA 02210
+1 (617) 443-3000

REGISTERED OFFICE

General Electric Company
1 River Road, Schenectady, NY 12345

ANNUAL MEETING

GE's 2022 Annual Meeting of Shareholders will be held on May 4, 2022.

SHAREHOLDER INFORMATION

For shareholder inquiries, including enrollment information and a prospectus for the Direct Purchase and Reinvestment Plan, "GE Stock Direct," write to GE Share Owner Services, P.O. Box 64874, St. Paul, MN 55164-0874; or call (800) 786-2543 (800-STOCK-GE) or +1 (651) 450-4064.

For internet access to general shareholder information and certain forms, including transfer instructions, visit the website at www.shareowneronline.com. You may also submit shareholder inquiries using the email link in the "Contact Us" section of the website.

STOCK EXCHANGE INFORMATION

In the United States, GE common stock is listed on the New York Stock Exchange (NYSE), its principal market. It also is listed on certain non-U.S. exchanges, including the London Stock Exchange, Euronext Paris, and SIX Swiss Exchange.

CORPORATE OMBUDSPERSON

To report concerns related to compliance with the law, GE policies, or government contracting requirements, write to GE Corporate Ombudsperson, P.O. Box 52560, Boston, MA 02205; or call +1 (617) 443-3077; or send an email to ombudsperson@corporate.ge.com.

FORM 10-K AND OTHER REPORTS; CERTIFICATIONS

This 2021 GE Annual Report includes the GE Annual Report on Form 10-K. The Form 10-K Report filed with the U.S. Securities and Exchange Commission (SEC) in February 2022 also contains additional information including exhibits. GE's Chief Executive Officer has also submitted to the NYSE a certification certifying that he is not aware of any violations by GE of the NYSE corporate governance listing standards. The GE Form 10-K can be viewed at https://www.ge.com/investor-relations/annual-report and is also available, without charge, from GE Corporate Investor Communications, 5 Necco Street, Boston, MA 02210.

PRODUCT INFORMATION

For information about GE's consumer products and services, visit us at www.ge.com.

CONTACT THE GE BOARD OF DIRECTORS

The Audit Committee and the non-management directors have established procedures to enable anyone who has a concern about GE's conduct, or any employee who has a concern about the Company's accounting, internal accounting controls, or auditing matters, to communicate that concern directly to the lead director or to the Audit Committee. Such communications may be confidential or anonymous and may be submitted in writing to: GE Board of Directors, General Electric Company, 5 Necco Street, Boston, MA 02210; or call (800) 417-0575 or +1 (617) 443-3078; or send an email to directors@corporate.ge.com.

WHERE YOU CAN FIND MORE INFORMATION

2021 Annual Report
https://www.ge.com/investor-relations/annual-report

2021 Diversity Report
https://www.ge.com/diversity

2021 Sustainability Report
To be published later this year
https://www.ge.com/sustainability

2022 Proxy Statement
To be published later this year
https://www.ge.com/proxy

MIX
Paper from responsible sources
FSC
www.fsc.org

The manufacturing facility that produced this report is an EPA GreenPower Partner that is powered by renewable energy generated by GE wind turbines.

GE IS A WORLD-LEADING CORPORATION:

Forbes World's Best Employers	**Forbes** Green Growth 50	**Interbrand** Best Global Brands	**Boston Business Journal** Top Charitable Contributor	**Society of Hispanic Professional Engineers (SHPE)**

General Electric Company
5 Necco Street
Boston, MA 02210

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	29.09.2016	11.11.2016
Telefon	Deres referanse	Vår referanse
977 59 464	Geir Atle Carlsen	2016/996601

GENERAL ELECTRIC INTERNATIONAL INC filial av
utenlandsk foretak
Postboks 4766 Nydalen
0421 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for selskaper i General Electric-gruppen

Vi viser til deres brev av 29. september 2016 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

GE Healthcare AS,	org.nr. 914 829 674
GE Healthcare Holding AS,	org.nr. 987 015 225
Amersham Health Norge AS,	org.nr. 979 306 946
GE Healthcare Holding Norge AS,	org.nr. 988 963 755
GEFH AS,	org.nr. 990 400 156
GE Healthcare Clinical Systems Norway AS,	org.nr. 988 963 690
GE Healthcare Norge AS,	org.nr. 926 293 621
GE Vingmed Ultrasound AS,	org.nr. 938 937 583
GE Healthcare Europe GmbH - Branch Norway,	org.nr. 968 146 092
GE Capital AS,	org.nr. 987 058 765
GECAS Aircraft Leasing Norway AS,	org.nr. 985 551 685
GECAS EX-IM Leasing Norway AS,	org.nr. 894 570 652
GE Lighting AS,	org.nr. 910 904 396
Nuovo Pignone SPA NUF,	org.nr. 974 230 666
Vetco Gray Scandinavia AS,	org.nr. 990 441 545
Vetco Gray AS,	org.nr. 913 147 758
Presens AS,	org.nr. 976 876 385
Naxys AS,	org.nr. 993 277 983
Advantec AS,	org.nr. 887 471 282
NTOS Holding AS,	org.nr. 912 101 231
NTOS AS,	org.nr. 983 923 518
PII Ltd Norway Branch,	org.nr. 980 716 856
Thermodyn SAS Norway branch,	org.nr. 982 455 626
GE Energy (Norway) AS,	org.nr. 980 862 860
GE Wind Energy (Norway) AS,	org.nr. 881 520 532
Granite Services International Inc Norway branch,	org.nr. 985 604 908
GE Power Norway AS,	org.nr. 980 402 274

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60

GE Energy Connections AS,	org.nr. 937 025 440
GE Renewable Norway AS,	org.nr. 889 467 592
GE Energy Power Conversion France SAS Norway branch,	org.nr. 995 139 421
GE Energy Power Conversion Norway AS,	org.nr. 996 326 020
GE Energy Power Conversion UK Ltd Norway bronch,	org.nr. 813 661 632
GE International Inc. NUF,	org.nr. 860 192 942

I tillegg søker dere om dispensasjon til å kunne utarbeide alle fremtidige selskapers årsregnskap og årsberetning på engelsk.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Etter regnskapsloven § 3-4 tredje ledd kan det kun gis dispensasjon til navngitte regnskapspliktige, jf. definisjon av enkeltvedtak i forvaltningsloven § 2 første ledd bokstav b. Vi har derfor ikke hjemmel til å behandle søknaden knyttet til fremtidige selskaper. For å få dispensasjon for eventuelle fremtidige selskaper må dere søke konkret for de aktuelle selskapene.

Bakgrunn
Fra deres søknad gjengis:

> *General Electric Company er et børsnotert amerikansk konsern med virksomhet i mange land, herunder i Norge gjennom flere norske selskaper og fililaler av utenlandske selskaper. Som et ledd i konsernets bestrebelser på å forenkle rapporteringer og informasjonsflyt, søkes det med dette om å få utarbeide årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2016 for de selskaper og filialer som er spesifisert i vedlegg til denne søknaden.*
>
> *De norske selskapene er lokalisert ulike steder i Norge, herunder Oslo, Sandvika, Horten, Stavanger og Bergensområdet og omfatter ulike typer bransjer. General Electric har ikke etablert en spesifikk konsernstruktur med en enkelt konsernspiss i Norge, men hvor det finnes flere delkonsern og enkeltstående selskaper avhengig av bransje.*
>
> *Virksomheten er fullt ut rettet mot produksjon oa salg av varer og tjenester til andre selskaper i Norge og utlandet. Det selges ikke noe direkte til forbrukere i Norge. Innenfor energi og olje/gass er General Electric aktive både på sokkelen og på land. Alle sentrale aktører og samarbeidspartnere er av internasjonal karakter, og innenfor bransjen beherskes og benyttes engelsk.*

Innenfor helseområdet produseres det kontrastvæskemidler og ultralydmaskiner. Alt salg går til offentlige og private sykehus, leger og helseinstitusjoner. Det er i det alt vesentlige eksportrettet, med en liten andel salg og service i Norge, men ikke direkte mot forbrukermarkedet. Teknisk dokumentasjon, søknader om godkjenning i ulike land mv utarbeides på engelsk, og alle sentrale aktører innenfor bransjen benytter engelsk som arbeidsspråk.

Utover dette har man noen mindre virksomheter som blant annet forestår leasing av fly til utenlandske flyselskaper, salg av lysmateriell til grossister i Norge, samt utøver interne støttefunksjoner til norske og utenlandske konsernselskaper.

Selskapenes arbeidsspråk er engelsk, da man har tildels utstrakt samarbeid med andre konsernselskaper i utlandet. Dette forenkler og effektiviserer informasjonsflyt, analyser og rapporteringer, samt reduserer kostnader. Selskapene opererer i sektorer hvor engelsk er det klart dominerende språket. Morselskapets aksjonærer er utenlandske personer eller selskaper.

I flere av selskapene sitter det både norske og utenlandske styremedlemmer. Dette medfører at det i dag må utarbeides både norske og engelske versjoner av årsregnskaper og årsberetninger. Det er ressurskrevende, og kan også av og til gi opphav til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon, og dermed unødvendige misforståelser.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene og filialene inngår i et utenlandsk konsern og at selskapenes arbeidsspråk er engelsk. Videre er det vektlagt at selskapene opererer i sektorer hvor engelsk er det klart dominerende språket.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer