

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-Q

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from to

Commission file number 001-34960



**GENERAL MOTORS COMPANY**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

27-0756180

(I.R.S. Employer  
Identification No.)

300 Renaissance Center, Detroit, Michigan

(Address of principal executive offices)

48265 -3000

(Zip Code)

(313) 667-1500

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	GM	New York Stock Exchange

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 (§232.405 of this chapter) 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 19, 2021 there were 1,451,723,812 shares of common stock outstanding.

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## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## PART I

## Item 1. Condensed Consolidated Financial Statements

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
(In millions, except per share amounts) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Net sales and revenue</b>				
Automotive	\$ 30,744	\$ 13,363	\$ 59,811	\$ 42,513
GM Financial	3,423	3,415	6,830	6,974
Total net sales and revenue (Note 2)	<u>34,167</u>	<u>16,778</u>	<u>66,641</u>	<u>49,487</u>
<b>Costs and expenses</b>				
Automotive and other cost of sales	27,266	13,444	52,381	40,170
GM Financial interest, operating and other expenses	1,894	3,238	4,173	6,594
Automotive and other selling, general and administrative expense	2,125	1,310	3,928	3,280
Total costs and expenses	<u>31,285</u>	<u>17,992</u>	<u>60,482</u>	<u>50,044</u>
Operating income (loss)	2,882	(1,214)	6,159	(557)
Automotive interest expense	243	303	493	496
Interest income and other non-operating income, net	784	413	1,583	724
Equity income (Note 7)	327	212	692	80
Income (loss) before income taxes	3,750	(892)	7,941	(249)
Income tax expense (benefit) (Note 14)	971	(112)	2,148	245
<b>Net income (loss)</b>	<u>2,779</u>	<u>(780)</u>	<u>5,793</u>	<u>(494)</u>
Net loss attributable to noncontrolling interests	57	22	65	30
<b>Net income (loss) attributable to stockholders</b>	<u>\$ 2,836</u>	<u>\$ (758)</u>	<u>\$ 5,858</u>	<u>\$ (464)</u>
<b>Net income (loss) attributable to common stockholders</b>	<u>\$ 2,790</u>	<u>\$ (806)</u>	<u>\$ 5,767</u>	<u>\$ (559)</u>
<b>Earnings (loss) per share (Note 17)</b>				
Basic earnings (loss) per common share	\$ 1.92	\$ (0.56)	\$ 3.98	\$ (0.39)
Weighted-average common shares outstanding – basic	1,451	1,432	1,449	1,432
Diluted earnings (loss) per common share	\$ 1.90	\$ (0.56)	\$ 3.93	\$ (0.39)
Weighted-average common shares outstanding – diluted	1,468	1,432	1,466	1,432
<b>Dividends declared per common share</b>	\$ —	\$ —	\$ —	\$ 0.38

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In millions) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Net income (loss)</b>	\$ 2,779	\$ (780)	\$ 5,793	\$ (494)
<b>Other comprehensive income (loss), net of tax (Note 16)</b>				
Foreign currency translation adjustments and other	302	(58)	297	(1,031)
Defined benefit plans	28	(39)	188	278
Other comprehensive income (loss), net of tax	<u>330</u>	<u>(97)</u>	<u>485</u>	<u>(753)</u>
<b>Comprehensive income (loss)</b>	3,109	(877)	6,278	(1,247)
Comprehensive income attributable to noncontrolling interests	57	18	72	38
<b>Comprehensive income (loss) attributable to stockholders</b>	<u>\$ 3,166</u>	<u>\$ (859)</u>	<u>\$ 6,350</u>	<u>\$ (1,209)</u>

Reference should be made to the notes to condensed consolidated financial statements.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS  
(In millions, except per share amounts) (Unaudited)

ASSETS	June 30, 2021	December 31, 2020
<b>Current Assets</b>		
Cash and cash equivalents	\$ 22,920	\$ 19,992
Marketable debt securities (Note 3)	6,211	9,046
Accounts and notes receivable, net	8,167	8,035
GM Financial receivables, net (Note 4; Note 8 at VIEs)	24,444	26,209
Inventories (Note 5)	13,102	10,235
Other current assets (Note 3; Note 8 at VIEs)	7,765	7,407
<b>Total current assets</b>	<b>82,609</b>	<b>80,924</b>
<b>Non-current Assets</b>		
GM Financial receivables, net (Note 4; Note 8 at VIEs)	35,507	31,783
Equity in net assets of nonconsolidated affiliates (Note 7)	8,882	8,406
Property, net	38,822	37,632
Goodwill and intangible assets, net	5,169	5,230
Equipment on operating leases, net (Note 6; Note 8 at VIEs)	40,596	39,819
Deferred income taxes	22,408	24,136
Other assets (Note 3; Note 8 at VIEs)	7,810	7,264
<b>Total non-current assets</b>	<b>159,194</b>	<b>154,270</b>
<b>Total Assets</b>	<b>\$ 241,803</b>	<b>\$ 235,194</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable (principally trade)	\$ 21,431	\$ 19,928
Short-term debt and current portion of long-term debt (Note 9)		
Automotive	896	1,276
GM Financial (Note 8 at VIEs)	33,294	35,637
Accrued liabilities (Note 11)	19,190	23,069
<b>Total current liabilities</b>	<b>74,811</b>	<b>79,910</b>
<b>Non-current Liabilities</b>		
Long-term debt (Note 9)		
Automotive	16,422	16,193
GM Financial (Note 8 at VIEs)	60,276	56,788
Postretirement benefits other than pensions (Note 12)	6,202	6,277
Pensions (Note 12)	11,564	12,902
Other liabilities (Note 11)	14,652	13,447
<b>Total non-current liabilities</b>	<b>109,116</b>	<b>105,607</b>
<b>Total Liabilities</b>	<b>183,927</b>	<b>185,517</b>
Commitments and contingencies (Note 13)		
<b>Equity (Note 16)</b>		
Common stock, \$0.01 par value	15	14
Additional paid-in capital	26,844	26,542
Retained earnings	37,806	31,962
Accumulated other comprehensive loss	(12,996)	(13,488)
<b>Total stockholders' equity</b>	<b>51,669</b>	<b>45,030</b>
Noncontrolling interests	6,207	4,647
<b>Total Equity</b>	<b>57,876</b>	<b>49,677</b>
<b>Total Liabilities and Equity</b>	<b>\$ 241,803</b>	<b>\$ 235,194</b>

Reference should be made to the notes to condensed consolidated financial statements.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In millions) (Unaudited)

	Six Months Ended	
	June 30, 2021	June 30, 2020
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 5,793	\$ (494)
Depreciation and impairment of Equipment on operating leases, net	3,218	3,759
Depreciation, amortization and impairment charges on Property, net	2,815	2,814
Foreign currency remeasurement and transaction (gains)	(25)	(63)
Undistributed earnings of nonconsolidated affiliates, net	16	446
Pension contributions and OPEB payments	(425)	(327)
Pension and OPEB income, net	(803)	(518)
Provision (benefit) for deferred taxes	1,813	(24)
Change in other operating assets and liabilities	(3,974)	(6,847)
<b>Net cash provided by (used in) operating activities</b>	<b>8,428</b>	<b>(1,254)</b>
<b>Cash flows from investing activities</b>		
Expenditures for property	(2,451)	(2,336)
Available-for-sale marketable securities, acquisitions	(4,090)	(7,656)
Available-for-sale marketable securities, liquidations	6,926	3,694
Purchases of finance receivables, net	(17,485)	(14,929)
Principal collections and recoveries on finance receivables	11,946	9,563
Purchases of leased vehicles, net	(12,439)	(6,054)
Proceeds from termination of leased vehicles	10,868	5,537
Other investing activities	(285)	(155)
<b>Net cash used in investing activities</b>	<b>(7,010)</b>	<b>(12,336)</b>
<b>Cash flows from financing activities</b>		
Net increase in short-term debt	2,365	846
Proceeds from issuance of debt (original maturities greater than three months)	25,955	53,465
Payments on debt (original maturities greater than three months)	(27,035)	(29,512)
Proceeds from issuance of subsidiary preferred stock (Note 16)	1,736	—
Dividends paid	(94)	(592)
Other financing activities	(90)	(491)
<b>Net cash provided by financing activities</b>	<b>2,837</b>	<b>23,716</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(7)	(429)
Net increase in cash, cash equivalents and restricted cash	4,248	9,697
Cash, cash equivalents and restricted cash at beginning of period	23,117	22,943
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 27,365</b>	<b>\$ 32,640</b>
<b>Significant Non-cash Investing and Financing Activity</b>		
Non-cash property additions	\$ 3,668	\$ 1,773

Reference should be made to the notes to condensed consolidated financial statements.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(In millions) (Unaudited)**

	Common Stockholders'					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
<b>Balance at January 1, 2020</b>	\$ 14	\$ 26,074	\$ 26,860	\$ (11,156)	\$ 4,165	\$ 45,957
Adoption of accounting standards	—	—	(660)	—	—	(660)
Net income	—	—	294	—	(8)	286
Other comprehensive loss	—	—	—	(644)	(12)	(656)
Issuance of subsidiary preferred stock	—	—	—	—	26	26
Purchase of common stock	—	(57)	(33)	—	—	(90)
Stock based compensation	—	(3)	(7)	—	—	(10)
Cash dividends paid on common stock	—	—	(545)	—	—	(545)
Dividends to noncontrolling interests	—	—	—	—	(4)	(4)
Other	—	—	(24)	—	37	13
<b>Balance at March 31, 2020</b>	14	26,014	25,885	(11,800)	4,204	44,317
Net loss	—	—	(758)	—	(22)	(780)
Other comprehensive loss	—	—	—	(101)	4	(97)
Issuance of subsidiary preferred stock	—	—	—	—	26	26
Stock based compensation	—	73	—	—	—	73
Dividends to noncontrolling interests	—	—	—	—	(39)	(39)
Other	—	—	(23)	—	16	(7)
<b>Balance at June 30, 2020</b>	\$ 14	\$ 26,087	\$ 25,104	\$ (11,901)	\$ 4,189	\$ 43,493
<b>Balance at January 1, 2021</b>	\$ 14	\$ 26,542	\$ 31,962	\$ (13,488)	\$ 4,647	\$ 49,677
Net income	—	—	3,022	—	(8)	3,014
Other comprehensive income	—	—	—	162	(7)	155
Issuance of subsidiary preferred stock (Note 16)	—	—	—	—	1,537	1,537
Stock based compensation	—	132	—	—	—	132
Dividends to noncontrolling interests	—	—	—	—	(61)	(61)
Other	—	(7)	4	—	(8)	(11)
<b>Balance at March 31, 2021</b>	14	26,667	34,988	(13,326)	6,100	54,443
Net income	—	—	2,836	—	(57)	2,779
Other comprehensive income	—	—	—	330	—	330
Issuance of subsidiary preferred stock (Note 16)	—	—	—	—	199	199
Stock based compensation	—	177	(4)	—	—	173
Dividends to noncontrolling interests	—	—	—	—	(64)	(64)
Other	1	—	(14)	—	29	16
<b>Balance at June 30, 2021</b>	\$ 15	\$ 26,844	\$ 37,806	\$ (12,996)	\$ 6,207	\$ 57,876

Reference should be made to the notes to condensed consolidated financial statements.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Note 1. Nature of Operations and Basis of Presentation**

General Motors Company (sometimes referred to in this Quarterly Report on Form 10-Q as we, our, us, ourselves, the Company, General Motors or GM) designs, builds and sells trucks, crossovers, cars and automobile parts worldwide and is investing in and growing an autonomous vehicle business. We also provide automotive financing services through General Motors Financial Company, Inc. (GM Financial). We analyze the results of our operations through the following segments: GM North America (GMNA), GM International (GMI), Cruise, and GM Financial. Cruise is our global segment responsible for the development and commercialization of autonomous vehicle technology. Nonsegment operations are classified as Corporate. Corporate includes certain centrally recorded income and costs such as interest, income taxes, corporate expenditures and certain nonsegment-specific revenues and expenses.

The condensed consolidated financial statements have been prepared in conformity with U.S. GAAP pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial information. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. The condensed consolidated financial statements include all adjustments, which consist of normal recurring adjustments and transactions or events discretely impacting the interim periods, considered necessary by management to fairly state our results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our 2020 Form 10-K. Except for per share amounts or as otherwise specified, amounts presented within tables are stated in millions.

**Principles of Consolidation** We consolidate entities that we control due to ownership of a majority voting interest and we consolidate variable interest entities (VIEs) when we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation. Our share of earnings or losses of nonconsolidated affiliates is included in our consolidated operating results using the equity method of accounting when we are able to exercise significant influence over the operating and financial decisions of the affiliate.

**GM Financial** The amounts presented for GM Financial have been adjusted to reflect the impact on GM Financial's deferred tax positions and provision for income taxes resulting from the inclusion of GM Financial in our consolidated tax return and to eliminate the effect of transactions between GM Financial and the other members of the consolidated group. Accordingly, the amounts presented will differ from those presented by GM Financial on a stand-alone basis.

**Note 2. Revenue**

The following table disaggregates our revenue by major source:

	Three Months Ended June 30, 2021							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	\$ 26,993	\$ 2,475	\$ 2	\$ 29,470	\$ —	\$ —	\$ —	\$ 29,470
Used vehicles	137	13	—	150	—	—	—	150
Services and other	802	304	19	1,125	25	—	(26)	1,124
Automotive net sales and revenue	27,932	2,792	21	30,745	25	—	(26)	30,744
Leased vehicle income	—	—	—	—	—	2,304	—	2,304
Finance charge income	—	—	—	—	—	1,036	—	1,036
Other income	—	—	—	—	—	86	(3)	83
GM Financial net sales and revenue	—	—	—	—	—	3,426	(3)	3,423
Net sales and revenue	\$ 27,932	\$ 2,792	\$ 21	\$ 30,745	\$ 25	\$ 3,426	\$ (29)	\$ 34,167

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

	Three Months Ended June 30, 2020							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	\$ 10,850	\$ 1,439	\$ —	\$ 12,289	\$ —	\$ —	\$ —	\$ 12,289
Used vehicles	122	17	8	147	—	—	—	147
Services and other	632	221	72	925	28	—	(26)	927
Automotive net sales and revenue	11,604	1,677	80	13,361	28	—	(26)	13,363
Leased vehicle income	—	—	—	—	—	2,386	—	2,386
Finance charge income	—	—	—	—	—	966	—	966
Other income	—	—	—	—	—	71	(8)	63
GM Financial net sales and revenue	—	—	—	—	—	3,423	(8)	3,415
Net sales and revenue	\$ 11,604	\$ 1,677	\$ 80	\$ 13,361	\$ 28	\$ 3,423	\$ (34)	\$ 16,778

	Six Months Ended June 30, 2021							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	\$ 51,913	\$ 5,276	\$ 2	\$ 57,191	\$ —	\$ —	\$ —	\$ 57,191
Used vehicles	365	26	—	391	—	—	—	391
Services and other	1,611	576	38	2,225	55	—	(51)	2,229
Automotive net sales and revenue	53,889	5,878	40	59,807	55	—	(51)	59,811
Leased vehicle income	—	—	—	—	—	4,625	—	4,625
Finance charge income	—	—	—	—	—	2,052	—	2,052
Other income	—	—	—	—	—	156	(3)	153
GM Financial net sales and revenue	—	—	—	—	—	6,833	(3)	6,830
Net sales and revenue	\$ 53,889	\$ 5,878	\$ 40	\$ 59,807	\$ 55	\$ 6,833	\$ (54)	\$ 66,641

	Six Months Ended June 30, 2020							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	\$ 35,426	\$ 4,437	\$ —	\$ 39,863	\$ —	\$ —	\$ —	\$ 39,863
Used vehicles	498	42	10	550	—	—	—	550
Services and other	1,511	478	108	2,097	53	—	(50)	2,100
Automotive net sales and revenue	37,435	4,957	118	42,510	53	—	(50)	42,513
Leased vehicle income	—	—	—	—	—	4,849	—	4,849
Finance charge income	—	—	—	—	—	1,972	(1)	1,971
Other income	—	—	—	—	—	163	(9)	154
GM Financial net sales and revenue	—	—	—	—	—	6,984	(10)	6,974
Net sales and revenue	\$ 37,435	\$ 4,957	\$ 118	\$ 42,510	\$ 53	\$ 6,984	\$ (60)	\$ 49,487

Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Adjustments to sales incentives for previously recognized sales increased revenue by \$350 million and \$470 million in the three months ended June 30, 2021 and 2020.

Contract liabilities in our Automotive segments primarily consist of maintenance, extended warranty and other service contracts of \$2.5 billion and \$2.4 billion at June 30, 2021 and December 31, 2020, which are included in Accrued liabilities and Other liabilities. We recognized revenue of \$294 million and \$689 million related to contract liabilities in the three and six months ended June 30, 2021 and \$241 million and \$627 million in the three and six months ended June 30, 2020. We expect to recognize revenue of \$745 million in the six months ending December 31, 2021 and \$738 million, \$433 million and \$598 million in the years ending December 31, 2022, 2023 and thereafter related to contract liabilities at June 30, 2021.



## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Note 3. Marketable and Other Securities**

The following table summarizes the fair value of cash equivalents and marketable debt securities, which approximates cost:

	Fair Value Level	June 30, 2021	December 31, 2020
<b>Cash and cash equivalents</b>			
Cash and time deposits		\$ 8,255	\$ 8,010
Available-for-sale debt securities			
U.S. government and agencies	2	2,029	1,370
Corporate debt	2	5,609	3,476
Sovereign debt	2	4,353	2,051
Total available-for-sale debt securities – cash equivalents		11,991	6,897
Money market funds	1	2,674	5,085
Total cash and cash equivalents(a)		\$ 22,920	\$ 19,992
<b>Marketable debt securities</b>			
U.S. government and agencies	2	\$ 676	\$ 1,771
Corporate debt	2	3,217	3,630
Mortgage and asset-backed	2	567	632
Sovereign debt	2	1,751	3,013
Total available-for-sale debt securities – marketable securities(b)		\$ 6,211	\$ 9,046
<b>Restricted cash</b>			
Cash and cash equivalents		\$ 483	\$ 269
Money market funds	1	3,962	2,856
Total restricted cash		\$ 4,445	\$ 3,125
<b>Available-for-sale debt securities included above with contractual maturities(c)</b>			
Due in one year or less		\$ 14,692	
Due between one and five years		2,904	
Total available-for-sale debt securities with contractual maturities		\$ 17,596	

(a) Includes \$1.8 billion and \$761 million in Cruise at June 30, 2021 and December 31, 2020.

(b) Includes \$2.1 billion and \$943 million in Cruise at June 30, 2021 and December 31, 2020.

(c) Excludes mortgage and asset-backed securities of \$567 million at June 30, 2021 as these securities are not due at a single maturity date.

Proceeds from the sale of available-for-sale debt securities sold prior to maturity were \$557 million and \$554 million in the three months ended June 30, 2021 and 2020 and \$1.1 billion and \$920 million in the six months ended June 30, 2021 and 2020. Net unrealized gains and losses on available-for-sale debt securities were insignificant in the three and six months ended June 30, 2021 and 2020. Cumulative unrealized gains and losses on available-for-sale debt securities were insignificant at June 30, 2021 and December 31, 2020.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the total shown in the condensed consolidated statement of cash flows:

	June 30, 2021
Cash and cash equivalents	\$ 22,920
Restricted cash included in Other current assets	3,873
Restricted cash included in Other assets	572
Total	\$ 27,365

**Note 4. GM Financial Receivables and Transactions**

	June 30, 2021			December 31, 2020		
	Retail	Commercial(a)	Total	Retail	Commercial(a)	Total
GM Financial receivables, net of fees	\$ 56,357	\$ 5,444	\$ 61,801	\$ 51,288	\$ 8,682	\$ 59,970
Less: allowance for loan losses	(1,805)	(45)	(1,850)	(1,915)	(63)	(1,978)
GM Financial receivables, net	\$ 54,552	\$ 5,399	\$ 59,951	\$ 49,373	\$ 8,619	\$ 57,992
Fair value of GM Financial receivables utilizing Level 2 inputs			\$ 5,399			\$ 8,619
Fair value of GM Financial receivables utilizing Level 3 inputs			\$ 56,490			\$ 51,645

(a) Net of dealer cash management balances of \$1.1 billion and \$1.4 billion at June 30, 2021 and December 31, 2020. Under the cash management program, subject to certain conditions, a dealer may choose to reduce the amount of interest on its floorplan line by making principal payments to GM Financial in advance.

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Allowance for loan losses at beginning of period	\$ 1,835	\$ 1,966	\$ 1,978	\$ 944
Impact of adoption ASU 2016-13	—	—	—	801
Provision for loan losses	59	327	33	793
Charge-offs	(204)	(273)	(457)	(613)
Recoveries	146	91	296	247
Effect of foreign currency	14	—	—	(61)
Allowance for loan losses at end of period	\$ 1,850	\$ 2,111	\$ 1,850	\$ 2,111

The allowance for loan losses decreased by \$261 million as of June 30, 2021 compared to June 30, 2020, primarily due to a reduction in the reserve levels established during the six months ended June 30, 2020, as a result of actual credit performance that was better than originally forecasted at the onset of the COVID-19 pandemic; and favorable expectations for future charge-offs and recoveries, reflecting improved forecast economic conditions; partially offset by additional reserves recorded in the six months ended June 30, 2021, due to increased loan origination volume.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

**Retail Finance Receivables** GM Financial's retail finance receivable portfolio includes loans made to consumers and businesses to finance the purchase of vehicles for personal and commercial use. The following tables are consolidated summaries of the retail finance receivables by FICO score or its equivalent, determined at origination, for each vintage of the retail finance receivables portfolio at June 30, 2021 and December 31, 2020:

	Year of Origination						June 30, 2021	
	2021	2020	2019	2018	2017	Prior	Total	Percent
Prime – FICO score 680 and greater	\$ 11,303	\$ 15,390	\$ 5,414	\$ 3,263	\$ 1,261	\$ 328	\$ 36,959	65.6 %
Near-prime – FICO score 620 to 679	2,434	3,045	1,639	907	420	168	8,613	15.3 %
Sub-prime – FICO score less than 620	2,586	3,193	2,317	1,318	836	535	10,785	19.1 %
Retail finance receivables, net of fees	\$ 16,323	\$ 21,628	\$ 9,370	\$ 5,488	\$ 2,517	\$ 1,031	\$ 56,357	100.0 %

	Year of Origination						December 31, 2020	
	2020	2019	2018	2017	2016	Prior	Total	Percent
Prime – FICO score 680 and greater	\$ 18,685	\$ 7,033	\$ 4,491	\$ 1,917	\$ 555	\$ 119	\$ 32,800	64.0 %
Near-prime – FICO score 620 to 679	3,695	2,097	1,232	603	225	83	7,935	15.4 %
Sub-prime – FICO score less than 620	3,803	2,920	1,740	1,173	610	307	10,553	20.6 %
Retail finance receivables, net of fees	\$ 26,183	\$ 12,050	\$ 7,463	\$ 3,693	\$ 1,390	\$ 509	\$ 51,288	100.0 %

GM Financial reviews the ongoing credit quality of retail finance receivables based on customer payment activity. A retail account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date the payment was contractually due. Retail finance receivables are collateralized by vehicle titles and, subject to local laws, GM Financial generally has the right to repossess the vehicle in the event the customer defaults on the payment terms of the contract. The accrual of finance charge income had been suspended on delinquent retail finance receivables with contractual amounts due of \$555 million and \$714 million at June 30, 2021 and December 31, 2020. The following tables are consolidated summaries of the delinquency status of the outstanding amortized cost of retail finance receivables for each vintage of the portfolio at June 30, 2021 and December 31, 2020, as well as summary totals for June 30, 2020:

	Year of Origination						June 30, 2021		June 30, 2020	
	2021	2020	2019	2018	2017	Prior	Total	Percent	Total	Percent
0-to-30 days	\$ 16,224	\$ 21,320	\$ 9,063	\$ 5,285	\$ 2,375	\$ 920	\$ 55,187	97.9 %	\$ 44,852	96.5 %
31-to-60 days	75	221	222	150	106	82	856	1.5 %	998	2.2 %
Greater-than-60 days	22	78	77	49	33	27	286	0.5 %	601	1.3 %
Finance receivables more than 30 days delinquent	97	299	299	199	139	109	1,142	2.0 %	1,599	3.5 %
In repossession	2	9	8	4	3	2	28	0.1 %	21	— %
Finance receivables more than 30 days delinquent or in repossession	99	308	307	203	142	111	1,170	2.1 %	1,620	3.5 %
Retail finance receivables, net of fees	\$ 16,323	\$ 21,628	\$ 9,370	\$ 5,488	\$ 2,517	\$ 1,031	\$ 56,357	100.0 %	\$ 46,472	100.0 %

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

	Year of Origination						December 31, 2020	
	2020	2019	2018	2017	2016	Prior	Total	Percent
0-to-30 days	\$ 25,894	\$ 11,591	\$ 7,131	\$ 3,454	\$ 1,249	\$ 421	\$ 49,740	97.0 %
31-to-60 days	210	325	235	170	102	61	1,103	2.1 %
Greater-than-60 days	72	123	90	64	37	26	412	0.8 %
Finance receivables more than 30 days delinquent	282	448	325	234	139	87	1,515	2.9 %
In repossession	7	11	7	5	2	1	33	0.1 %
Finance receivables more than 30 days delinquent or in repossession	289	459	332	239	141	88	1,548	3.0 %
Retail finance receivables, net of fees	\$ 26,183	\$ 12,050	\$ 7,463	\$ 3,693	\$ 1,390	\$ 509	\$ 51,288	100.0 %

The outstanding amortized cost of retail finance receivables that are considered troubled debt restructurings was \$2.0 billion at June 30, 2021, including \$213 million in nonaccrual loans.

**Commercial Finance Receivables** GM Financial's commercial finance receivables consist of dealer financings, primarily for inventory purchases. Proprietary models are used to assign a risk rating to each dealer. GM Financial performs periodic credit reviews of each dealership and adjusts the dealership's risk rating, if necessary. There were no commercial finance receivables on nonaccrual status at June 30, 2021.

GM Financial's commercial risk model and risk rating categories are as follows:

Rating	Description
I	Performing accounts with strong to acceptable financial metrics with at least satisfactory capacity to meet financial commitments.
II	Performing accounts experiencing potential weakness in financial metrics and repayment prospects resulting in increased monitoring.
III	Non-Performing accounts with inadequate paying capacity for current obligations and have the distinct possibility of creating a loss if deficiencies are not corrected.
IV	Non-Performing accounts with inadequate paying capacity for current obligations and inherent weaknesses that make collection of liquidation in full highly questionable or improbable.

Dealers with III and IV risk ratings are subject to additional monitoring and restrictions on funding, including suspension of lines of credit and liquidation of assets. The following tables summarize the credit risk profile by dealer risk rating of commercial finance receivables at June 30, 2021 and December 31, 2020:

	Year of Origination(a)							June 30, 2021	
	Revolving	2021	2020	2019	2018	2017	Prior	Total	Percent
I	\$ 4,023	\$ 206	\$ 448	\$ 127	\$ 45	\$ 65	\$ 43	\$ 4,957	91.1 %
II	292	2	18	18	—	3	5	338	6.2 %
III	103	8	—	3	28	2	5	149	2.7 %
IV	—	—	—	—	—	—	—	—	— %
Commercial finance receivables, net of fees	\$ 4,418	\$ 216	\$ 466	\$ 148	\$ 73	\$ 70	\$ 53	\$ 5,444	100.0 %

(a) Floorplan advances comprise 94% of the total revolving balance. Dealer term loans are presented by year of origination.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

	Year of Origination(a)							December 31, 2020	
	Revolving	2020	2019	2018	2017	2016	Prior	Total	Percent
I	\$ 6,968	\$ 510	\$ 159	\$ 63	\$ 95	\$ 43	\$ 19	\$ 7,857	90.5 %
II	491	2	18	2	3	18	34	568	6.5 %
III	203	—	8	29	2	11	—	253	2.9 %
IV	—	—	—	—	—	—	4	4	0.1 %
Commercial finance receivables, net of fees	\$ 7,662	\$ 512	\$ 185	\$ 94	\$ 100	\$ 72	\$ 57	\$ 8,682	100.0 %

(a) Floorplan advances comprise 97% of the total revolving balance. Dealer term loans are presented by year of origination.

**Transactions with GM Financial** The following table shows transactions between our Automotive segments and GM Financial. These amounts are presented in GM Financial's condensed consolidated balance sheets and statements of income.

	June 30, 2021	December 31, 2020
<b>Condensed Consolidated Balance Sheets(a)</b>		
Commercial finance receivables, net due from GM consolidated dealers	\$ 261	\$ 398
Subvention receivable(b)	\$ 590	\$ 642
Commercial loan funding payable	\$ 30	\$ 23

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Condensed Consolidated Statements of Income</b>				
Interest subvention earned on finance receivables	\$ 211	\$ 162	\$ 399	\$ 318
Leased vehicle subvention earned	\$ 704	\$ 765	\$ 1,425	\$ 1,570

(a) All balance sheet amounts are eliminated upon consolidation.

(b) Our Automotive segments made cash payments to GM Financial for subvention of \$1.0 billion and \$967 million in the three months ended June 30, 2021 and 2020 and \$2.0 billion in the six months ended June 30, 2021 and 2020.

GM Financial's Board of Directors declared and paid dividends of \$600 million and \$400 million on its common stock in the three months ended June 31, 2021 and 2020 and \$1.2 billion and \$800 million in the six months ended June 30, 2021 and 2020.

**Note 5. Inventories**

	June 30, 2021	December 31, 2020
Total productive material, supplies and work in process	\$ 8,124	\$ 5,117
Finished product, including service parts	4,978	5,118
Total inventories	\$ 13,102	\$ 10,235

Inventories at June 30, 2021 increased primarily due to certain vehicles being manufactured without final components as a result of the global semiconductor supply shortage.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**
**Note 6. Equipment on Operating Leases**

Equipment on operating leases consists of leases to retail customers of GM Financial.

	June 30, 2021	December 31, 2020
Equipment on operating leases	\$ 50,217	\$ 50,000
Less: accumulated depreciation	(9,621)	(10,181)
Equipment on operating leases, net	<u>\$ 40,596</u>	<u>\$ 39,819</u>

The estimated residual value of our leased assets at the end of the lease term was \$29.9 billion and \$29.2 billion at June 30, 2021 and December 31, 2020.

Depreciation expense related to Equipment on operating leases, net was \$1.5 billion and \$1.9 billion in the three months ended June 30, 2021 and 2020 and \$3.2 billion and \$3.7 billion in the six months ended June 30, 2021 and 2020.

The following table summarizes lease payments due to GM Financial on leases to retail customers:

	Year Ending December 31,						Total
	2021	2022	2023	2024	2025	Thereafter	
Lease receipts under operating leases	\$ 3,315	\$ 5,016	\$ 2,695	\$ 559	\$ 30	\$ —	\$ 11,615

**Note 7. Equity in Net Assets of Nonconsolidated Affiliates**

Nonconsolidated affiliates are entities in which we maintain an equity ownership interest and for which we use the equity method of accounting due to our ability to exert significant influence over decisions relating to their operating and financial affairs. Revenue and expenses of our joint ventures are not consolidated into our financial statements; rather, our proportionate share of the earnings of each joint venture is reflected as Equity income.

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Automotive China equity income	\$ 276	\$ 169	\$ 584	\$ 2
Other joint ventures equity income	51	43	108	78
Total Equity income	<u>\$ 327</u>	<u>\$ 212</u>	<u>\$ 692</u>	<u>\$ 80</u>

There have been no significant ownership changes in our Automotive China joint ventures (Automotive China JVs) since December 31, 2020.

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Summarized Operating Data of Automotive China JVs</b>				
Automotive China JVs' net sales	\$ 8,954	\$ 9,239	\$ 18,830	\$ 13,560
Automotive China JVs' net income	\$ 527	\$ 562	\$ 1,113	\$ 214

Dividends declared but not paid from our nonconsolidated affiliates were insignificant at June 30, 2021 and December 31, 2020. Dividends received from our nonconsolidated affiliates were \$693 million and \$709 million in the three and six months ended June 30, 2021 and \$525 million and \$526 million in the three and six months ended June 30, 2020. Undistributed earnings from our nonconsolidated affiliates were \$1.6 billion at June 30, 2021 and December 31, 2020.

**Note 8. Variable Interest Entities****Consolidated VIEs****Automotive Financing- GM Financial**

GM Financial uses special purpose entities (SPEs) that are considered VIEs to issue variable funding notes to third party, bank-sponsored warehouse facilities or asset-backed securities to investors in securitization transactions. The debt issued by these VIEs is backed by finance receivables and leasing-related assets transferred to the VIEs (Securitized Assets). GM Financial determined that it is the primary beneficiary of the SPEs because the servicing responsibilities for the Securitized Assets give GM Financial the power to direct the activities that most significantly impact the performance of the VIEs and the variable interests in the VIEs give GM Financial the obligation to absorb losses and the right to receive residual returns that could potentially be significant. The assets of the VIEs serve as the sole source of repayment for the debt issued by these entities. Investors in the notes issued by the VIEs do not have recourse to GM Financial or its other assets, with the exception of customary representation and warranty repurchase provisions and indemnities that GM Financial provides as the servicer. GM Financial is not required to provide additional financial support to these SPEs. While these subsidiaries are included in GM Financial's condensed consolidated financial statements, they are separate legal entities and their assets are legally owned by them and are not available to GM Financial's creditors.

The following table summarizes the assets and liabilities related to GM Financial's consolidated VIEs:

	June 30, 2021	December 31, 2020
Restricted cash – current	\$ 3,191	\$ 2,190
Restricted cash – non-current	\$ 476	\$ 449
GM Financial receivables, net of fees – current	\$ 13,726	\$ 17,211
GM Financial receivables, net of fees – non-current	\$ 14,141	\$ 15,107
GM Financial equipment on operating leases, net	\$ 17,413	\$ 16,322
GM Financial short-term debt and current portion of long-term debt	\$ 18,090	\$ 20,450
GM Financial long-term debt	\$ 20,511	\$ 18,974

GM Financial recognizes finance charge, leased vehicle and fee income on the Securitized Assets and interest expense on the secured debt issued in a securitization transaction and records a provision for loan losses to recognize loan losses expected over the remaining life of the finance receivables.

**Nonconsolidated VIEs****Automotive**

Nonconsolidated VIEs principally include automotive related operating entities to which we provided financial support to ensure that our supply needs for production are met or are not disrupted. Our variable interests in these nonconsolidated VIEs include equity investments, accounts and loans receivable, committed financial support and other off-balance sheet arrangements. The carrying amounts of assets and liabilities related to our nonconsolidated VIEs were insignificant at June 30, 2021 and December 31, 2020. Our maximum exposure to loss as a result of our involvement with these VIEs was \$2.2 billion and \$1.2 billion, inclusive of \$1.5 billion and \$776 million in committed capital contributions to Ultium Cells LLC at June 30, 2021 and December 31, 2020. We currently lack the power through voting or similar rights to direct the activities of these entities that most significantly affect their economic performance.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**
**Note 9. Debt**

**Automotive** The following table presents debt in our automotive operations:

	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	\$ 258	\$ 278	\$ 303	\$ 332
Unsecured debt	16,743	20,756	16,929	20,988
Finance lease liabilities	317	335	237	256
Total automotive debt(a)	\$ 17,318	\$ 21,369	\$ 17,469	\$ 21,576
Fair value utilizing Level 1 inputs		\$ 19,811		\$ 19,826
Fair value utilizing Level 2 inputs		\$ 1,558		\$ 1,750
Available under credit facility agreements(b)		\$ 17,189		\$ 18,222
Weighted-average interest rate on outstanding short-term debt(c)		3.0 %		3.8 %
Weighted-average interest rate on outstanding long-term debt(c)		5.7 %		5.6 %

(a) Includes net discount and debt issuance costs of \$545 million and \$540 million at June 30, 2021 and December 31, 2020.

(b) Excludes our 364-day, \$2.0 billion facility allocated for exclusive use by GM Financial.

(c) Includes coupon rates on debt denominated in various foreign currencies and interest free loans.

Unsecured debt primarily consists of senior notes. In April 2021, we increased the total borrowing capacity of our five-year, \$10.5 billion facility to \$11.2 billion and extended the termination date for a \$9.9 billion portion of the five-year facility by three years, now set to mature on April 18, 2026. The termination date of April 18, 2023 for the remaining portion of the five-year facility remains unchanged. We also renewed and increased the total borrowing capacity of our three-year, \$4.0 billion facility to \$4.3 billion, which now matures on April 7, 2024, and renewed our 364-day, \$2.0 billion facility allocated for exclusive use by GM Financial, which now matures on April 6, 2022. We also terminated our 364-day, \$2.0 billion revolving credit facility, entered into in May 2020. Additionally, the prior restrictions on share repurchases and dividends on our common shares were removed upon entrance into the renewed three-year, \$4.3 billion facility.

**GM Financial** The following table presents debt of GM Financial:

	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	\$ 38,999	\$ 39,272	\$ 39,982	\$ 40,380
Unsecured debt	54,571	56,495	52,443	54,568
Total GM Financial debt	\$ 93,570	\$ 95,767	\$ 92,425	\$ 94,948
Fair value utilizing Level 2 inputs		\$ 93,907		\$ 92,922
Fair value utilizing Level 3 inputs		\$ 1,860		\$ 2,026

Secured debt consists of revolving credit facilities and securitization notes payable. Most of the secured debt was issued by VIEs and is repayable only from proceeds related to the underlying pledged assets. Refer to Note 8 to our condensed consolidated financial statements for additional information on GM Financial's involvement with VIEs. In the six months ended June 30, 2021, GM Financial renewed revolving credit facilities with total borrowing capacity of \$18.7 billion and issued \$13.4 billion in aggregate principal amount of securitization notes payable with an initial weighted average interest rate of 0.75% and maturity dates ranging from 2022 to 2028.

Unsecured debt consists of senior notes, credit facilities and other unsecured debt. In the six months ended June 30, 2021, GM Financial issued \$8.3 billion in aggregate principal amount of senior notes with an initial weighted average interest rate of 1.65% and maturity dates ranging from 2024 to 2031.



**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

In July 2021, GM Financial issued CAD \$400 million in senior notes with an interest rate of 1.70% due in 2025.

**Note 10. Derivative Financial Instruments**

**Automotive** The following table presents the notional amounts of derivative financial instruments in our automotive operations:

	Fair Value Level	June 30, 2021		December 31, 2020	
<b>Derivatives not designated as hedges(a)</b>					
Foreign currency	2	\$	3,024	\$	2,195
Commodity	2		1,093		341
Stellantis warrants, formerly known as PSA warrants(b)	2		47		49
Total derivative financial instruments			<u>\$ 4,164</u>		<u>\$ 2,585</u>

(a) The fair value of these derivative instruments at June 30, 2021 and December 31, 2020 and the gains/losses included in our condensed consolidated income statements for the three and six months ended June 30, 2021 and 2020 were insignificant, unless otherwise noted.

(b) As a result of the merger of Peugeot, S.A. (PSA Group) and Fiat Chrysler Automobiles N.V. on January 16, 2021, our 39.7 million warrants in Stellantis N.V. (Stellantis) will convert into 69.2 million common shares of Stellantis upon exercise. These warrants will continue to be governed by the same terms and conditions that were applicable prior to the merger. The fair value of these warrants, located in Other assets, was \$1.5 billion and \$1.1 billion at June 30, 2021 and December 31, 2020. We recorded gains in Interest income and other non-operating income, net of \$154 million and \$114 million in the three months ended June 30, 2021 and 2020 and gains of \$364 million and losses of \$303 million in the six months ended June 30, 2021 and 2020.

We estimate the fair value of the Stellantis warrants using a Black-Scholes formula. The significant inputs to the model include the Stellantis stock price and the estimated dividend yield. We are entitled to receive any dividends declared by Stellantis through the conversion date upon exercise of the warrants.

**GM Financial** The following table presents the gross fair value amounts of GM Financial's derivative financial instruments and the associated notional amounts:

	Fair Value Level	June 30, 2021			December 31, 2020		
		Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
<b>Derivatives designated as hedges(a)</b>							
Fair value hedges							
Interest rate swaps	2	\$ 18,112	\$ 319	\$ 75	\$ 10,064	\$ 463	\$ 13
Foreign currency swaps	2	712	—	30	1,958	128	9
Cash flow hedges							
Interest rate swaps	2	835	4	14	921	—	27
Foreign currency swaps	2	6,418	204	99	5,626	278	47
<b>Derivatives not designated as hedges(a)</b>							
Interest rate contracts	2	108,734	778	409	110,997	954	576
Total derivative financial instruments(b)		<u>\$ 134,811</u>	<u>\$ 1,305</u>	<u>\$ 627</u>	<u>\$ 129,566</u>	<u>\$ 1,823</u>	<u>\$ 672</u>

(a) The gains/losses included in our condensed consolidated income statements and statements of comprehensive income for the three and six months ended June 30, 2021 and 2020 were insignificant, unless otherwise noted. Amounts accrued for interest payments in a net receivable position are included in Other assets. Amounts accrued for interest payments in a net payable position are included in Other liabilities.

(b) GM Financial held \$509 million and \$728 million of collateral from counterparties available for netting against GM Financial's asset positions, and posted an insignificant amount of collateral to counterparties available for netting against GM Financial's liability positions at June 30, 2021 and December 31, 2020.

The fair value for Level 2 instruments was derived using the market approach based on observable market inputs including quoted prices of similar instruments and foreign exchange and interest rate forward curves.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following amounts were recorded in the condensed consolidated balance sheets related to items designated and qualifying as hedged items in fair value hedging relationships:

	June 30, 2021		December 31, 2020	
	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)
Short-term unsecured debt	\$ 1,866	\$ (25)	\$ 4,858	\$ (69)
Long-term unsecured debt	22,756	(356)	18,457	(670)
GM Financial unsecured debt	\$ 24,622	\$ (381)	\$ 23,315	\$ (739)

(a) Includes \$223 million and \$200 million of unamortized gains remaining on hedged items for which hedge accounting has been discontinued at June 30, 2021 and December 31, 2020.

**Note 11. Accrued and Other Liabilities**

	June 30, 2021	December 31, 2020
<b>Accrued liabilities</b>		
Dealer and customer allowances, claims and discounts	\$ 4,359	\$ 7,300
Deferred revenue	2,660	3,132
Product warranty and related liabilities	3,339	3,048
Payrolls and employee benefits excluding postemployment benefits	1,732	1,864
Other	7,100	7,725
Total accrued liabilities	\$ 19,190	\$ 23,069
<b>Other liabilities</b>		
Deferred revenue	\$ 3,156	\$ 2,715
Product warranty and related liabilities	5,841	5,193
Operating lease liabilities	979	969
Employee benefits excluding postemployment benefits	818	822
Postemployment benefits including facility idling reserves	777	739
Other	3,081	3,009
Total other liabilities	\$ 14,652	\$ 13,447

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Product Warranty and Related Liabilities</b>				
Warranty balance at beginning of period	\$ 8,077	\$ 7,398	\$ 8,242	\$ 7,798
Warranties issued and assumed in period – recall campaigns	1,328	41	1,449	158
Warranties issued and assumed in period – product warranty	463	220	905	718
Payments	(786)	(652)	(1,519)	(1,533)
Adjustments to pre-existing warranties	81	(1)	92	(20)
Effect of foreign currency and other	17	34	11	(81)
Warranty balance at end of period	\$ 9,180	\$ 7,040	\$ 9,180	\$ 7,040

In the three months ended June 30, 2021, we recorded warranty recall campaign accruals of \$1.3 billion, of which \$812 million relates to the Chevrolet Bolt EV. We estimate our reasonably possible loss in excess of amounts accrued for recall campaigns to be insignificant at June 30, 2021. Refer to Note 13 to our condensed consolidated financial statements for more details on the Chevrolet Bolt EV recall and Takata Corporation (Takata) matters.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Note 12. Pensions and Other Postretirement Benefits**

	Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	\$ 66	\$ 32	\$ 5	\$ 63	\$ 37	\$ 4
Interest cost	268	61	31	429	88	44
Expected return on plan assets	(794)	(158)	—	(817)	(163)	—
Amortization of prior service cost (credit)	(1)	2	(1)	(1)	1	(2)
Amortization of net actuarial losses	6	54	23	4	40	18
Net periodic pension and OPEB (income) expense	<u>\$ (455)</u>	<u>\$ (9)</u>	<u>\$ 58</u>	<u>\$ (322)</u>	<u>\$ 3</u>	<u>\$ 64</u>

	Six Months Ended June 30, 2021			Six Months Ended June 30, 2020		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	\$ 131	\$ 70	\$ 9	\$ 125	\$ 66	\$ 9
Interest cost	537	120	62	858	179	87
Expected return on plan assets	(1,589)	(310)	—	(1,633)	(333)	—
Amortization of prior service cost (credit)	(2)	3	(3)	(2)	3	(4)
Amortization of net actuarial losses	13	108	48	8	82	37
Net periodic pension and OPEB (income) expense	<u>\$ (910)</u>	<u>\$ (9)</u>	<u>\$ 116</u>	<u>\$ (644)</u>	<u>\$ (3)</u>	<u>\$ 129</u>

The non-service cost components of net periodic pension and other postretirement benefits (OPEB) income of \$485 million and \$336 million in the three months ended June 30, 2021 and 2020 and \$968 million and \$674 million in the six months ended June 30, 2021 and 2020 are presented in Interest income and other non-operating income, net.

**Note 13. Commitments and Contingencies**

**Litigation-Related Liability and Tax Administrative Matters** In the normal course of our business, we are named from time to time as a defendant in various legal actions, including arbitrations, class actions and other litigation. We identify below the material individual proceedings and investigations where we believe a material loss is reasonably possible or probable. We accrue for matters when we believe that losses are probable and can be reasonably estimated. At June 30, 2021 and December 31, 2020, we had accruals of \$1.2 billion in Accrued liabilities and Other liabilities. In many matters, it is inherently difficult to determine whether loss is probable or reasonably possible or to estimate the size or range of the possible loss. Accordingly, adverse outcomes from such proceedings could exceed the amounts accrued by an amount that could be material to our results of operations or cash flows in any particular reporting period.

**GM Korea Wage Litigation** GM Korea Company (GM Korea) is party to litigation with current and former salaried employees over whether to include fixed bonuses in the calculation of Ordinary Wages due under Korean regulations. In 2017, the Seoul High Court (an intermediate-level appellate court) held that certain workers are not barred from filing retroactive wage claims. GM Korea appealed this ruling to the Supreme Court of the Republic of Korea (Korea Supreme Court). In June 2021, the Korea Supreme Court affirmed the adverse rulings of the Seoul High Court. Accordingly, in the three months ended June 30, 2021, we recorded an additional accrual relating to this matter of \$107 million recorded in Automotive and other selling, general and administrative expense for a total accrual of \$134 million. We estimate our reasonably possible loss in excess of amounts accrued to be insignificant at June 30, 2021.

GM Korea is also party to litigation with current and former subcontract workers over allegations that they are entitled to the same wages and benefits provided to full-time employees, and to be hired as full-time employees. In May 2018 and September 2020, the Korean labor authorities issued adverse administrative orders finding that GM Korea must hire certain current subcontract workers as full-time employees. GM Korea appealed the May 2018 and September 2020 orders. In June 2020, the Seoul High Court ruled against GM Korea in one of the subcontract worker claims. GM Korea has appealed this decision to the Korea Supreme Court. At June 30, 2021, our accrual covering certain asserted claims and claims that we believe are probable of

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

assertion and for which liability is probable was approximately \$260 million. We estimate the reasonably possible loss in excess of amounts accrued for other current subcontract workers who may assert similar claims to be approximately \$120 million at June 30, 2021. We are currently unable to estimate any possible loss or range of loss that may result from additional claims that may be asserted by former subcontract workers.

**GM Brazil Indirect Tax Claim** In 2019, the Superior Court of Brazil rendered favorable decisions on three cases brought by GM Brazil that granted the Company the right to recover certain tax overpayments collected by the government. As a result, GM Brazil recorded pre-tax recoveries of \$1.4 billion in the year ended December 31, 2019. GM Brazil is currently realizing those recoveries as there are federal tax liabilities eligible for offset. In May 2021, the Brazilian Supreme Court decided a Motion of Clarification filed by the Brazilian IRS in a related case that confirmed GM Brazil's right to recover the tax overpayments retroactively. It is possible that the Brazilian IRS will file challenges to some of the tax recoveries recognized by GM Brazil. We expect other third parties will file claims asserting entitlement to some or all of the tax recoveries awarded and recognized by GM Brazil, and GM intends to defend against any such claims.

**Other Litigation-Related Liability and Tax Administrative Matters** Various other legal actions, including class actions, governmental investigations, claims and proceedings are pending against us or our related companies or joint ventures, including matters arising out of alleged product defects; employment-related matters; product and workplace safety, vehicle emissions and fuel economy regulations; product warranties; financial services; dealer, supplier and other contractual relationships; government regulations relating to competition issues; tax-related matters not subject to the provision of Accounting Standards Codification 740, "Income Taxes" (indirect tax-related matters); product design, manufacture and performance; consumer protection laws; and environmental protection laws, including laws regulating air emissions, water discharges, waste management and environmental remediation from stationary sources.

There are several putative class actions pending against GM in federal courts in the U.S. and in the Provincial Courts in Canada alleging that various vehicles sold, including model year 2011-2016 Duramax Diesel Chevrolet Silverado and GMC Sierra vehicles, violate federal, state and foreign emission standards. We are unable to estimate any reasonably possible loss or range of loss that may result from these actions. GM has also faced a series of additional lawsuits in the U.S. based on these allegations, including putative shareholder class actions claiming violations of federal securities law and a shareholder demand lawsuit. The securities lawsuits have been voluntarily dismissed by the plaintiffs in those actions.

We believe that appropriate accruals have been established for losses that are probable and can be reasonably estimated. It is possible that the resolution of one or more of these matters could exceed the amounts accrued in an amount that could be material to our results of operations. We also from time to time receive subpoenas and other inquiries or requests for information from agencies or other representatives of U.S. federal, state and foreign governments on a variety of issues.

Indirect tax-related matters are being litigated globally pertaining to value added taxes, customs, duties, sales, property taxes and other non-income tax related tax exposures. The various non-U.S. labor-related matters include claims from current and former employees related to alleged unpaid wage, benefit, severance and other compensation matters. Certain administrative proceedings are indirect tax-related and may require that we deposit funds in escrow or provide an alternative form of security. Some of the matters may involve compensatory, punitive or other treble damage claims, environmental remediation programs or sanctions that, if granted, could require us to pay damages or make other expenditures in amounts that could not be reasonably estimated at June 30, 2021. We believe that appropriate accruals have been established for losses that are probable and can be reasonably estimated. For indirect tax-related matters we estimate our reasonably possible loss in excess of amounts accrued to be up to approximately \$900 million at June 30, 2021.

**Takata Matters** In November 2020, the National Highway Traffic Safety Administration (NHTSA) directed that we replace the airbag inflators in our GMT900 vehicles, which are full-size pickup trucks and sport utility vehicles (SUVs), and we decided not to contest NHTSA's decision. While we have already begun the process of executing the recall, given the number of vehicles in this population, the recall will take several years to be completed. Accordingly, in the year ended December 31, 2020, we recorded a warranty accrual of \$1.1 billion for the expected costs of complying with the recall remedy, and we believe the currently accrued amount remains reasonable.

GM has recalled certain vehicles sold outside of the U.S. to replace Takata inflators in those vehicles. There are significant differences in vehicle and inflator design between the relevant vehicles sold internationally and those sold in the U.S. We continue to gather and analyze evidence about these inflators and to share our findings with regulators. Any additional recalls relating to these inflators could be material to our results of operations and cash flows.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

There are several putative class actions that have been filed against GM, including in the federal courts in the U.S., in the Provincial Courts in Canada, and in Mexico and Israel, arising out of allegations that airbag inflators manufactured by Takata are defective. At this stage of these proceedings, we are unable to provide an estimate of the amounts or range of possible loss.

**Chevrolet Bolt EV Recall** In November 2020, GM voluntarily recalled certain 2017-2019 model-year Chevrolet Bolt EVs that were built with high-voltage batteries that may pose a risk of fire. To mitigate this risk, GM's original recall remedy involved (a) performing diagnostic procedures to identify and replace potentially defective battery cell-module assemblies and (b) installing onboard-diagnostic software designed to detect and warn owners regarding potential issues related to changes in battery-module performance over time. The cost of this initial remedy was not material.

However, based on a recent field incident involving a battery fire in a vehicle that received the recall remedy, we have determined that the simultaneous presence of two manufacturing defects in the same battery cell can cause battery fires in certain of these Bolt vehicles. As a result, in July 2021, we initiated a new voluntary recall to replace the lithium ion battery modules in the recall population. Accordingly, in the three months ended June 30, 2021, we recorded a warranty accrual of \$812 million, which reflects our current best estimate for the cost of the recall remedy. We are pursuing commitments from our supplier on reimbursement for the financial costs of this field action.

In addition, putative class actions have been filed against GM in federal courts in the U.S. and in the Provincial Courts in Canada alleging that the batteries contained in the Bolt EVs included in the recall population are defective. At this stage of these proceedings, we are unable to provide an estimate of the amounts or range of possible loss.

**Opel/Vauxhall Sale** In 2017, we sold the Opel and Vauxhall businesses and certain other assets in Europe (the Opel/Vauxhall Business) to PSA Group (now Stellantis) under a Master Agreement (the Agreement). We also sold the European financing subsidiaries and branches (the Fincos, and together with the Opel/Vauxhall Business, the European Business) to Banque PSA Finance S.A. and BNP Paribas Personal Finance S.A. Although the sale reduced our new vehicle presence in Europe, we may still be impacted by actions taken by regulators related to vehicles sold before the sale. Our wholly owned subsidiary (the Seller) agreed to indemnify Stellantis for certain losses resulting from any inaccuracy of the representations and warranties or breaches of our covenants included in the Agreement and for certain other liabilities, including certain emissions and product liabilities. The Company entered into a guarantee for the benefit of Stellantis and pursuant to which the Company agreed to guarantee the Seller's obligation to indemnify Stellantis. Certain of these indemnification obligations are subject to time limitations, thresholds and/or caps as to the amount of required payments.

**Product Liability** We recorded liabilities of \$611 million and \$589 million in Accrued liabilities and Other liabilities at June 30, 2021 and December 31, 2020 for the expected cost of all known product liability claims, plus an estimate of the expected cost for product liability claims that have already been incurred and are expected to be filed in the future for which we are self-insured. It is reasonably possible that our accruals for product liability claims may increase in future periods in material amounts, although we cannot estimate a reasonable range of incremental loss based on currently available information. We believe that any judgment against us involving our products for actual damages will be adequately covered by our recorded accruals and, where applicable, excess liability insurance coverage.

**Guarantees** We enter into indemnification agreements for liability claims involving products manufactured primarily by certain joint ventures. These guarantees terminate in years ranging from 2021 to 2026 or upon the occurrence of specific events or are ongoing. We believe that the related potential costs incurred are adequately covered by our recorded accruals, which are insignificant. The maximum future undiscounted payments mainly based on vehicles sold to date were \$3.4 billion and \$3.1 billion for these guarantees at June 30, 2021 and December 31, 2020, the majority of which relates to the indemnification agreements.

We provide payment guarantees on commercial loans outstanding with third parties such as dealers. In some instances, certain assets of the party or our payables to the party whose debt or performance we have guaranteed may offset, to some degree, the amount of any potential future payments. We are also exposed to residual value guarantees associated with certain sales to rental car companies.

We periodically enter into agreements that incorporate indemnification provisions in the normal course of business. It is not possible to estimate our maximum exposure under these indemnifications or guarantees due to the conditional nature of these obligations. Insignificant amounts have been recorded for such obligations as the majority of them are not probable or estimable at this time and the fair value of the guarantees at issuance was insignificant. Refer to the Opel/Vauxhall Sale section of this note for additional information on our indemnification obligations to Stellantis under the Agreement.

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## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Note 14. Income Taxes**

For interim income tax reporting, we estimate our annual effective tax rate and apply it to our year-to-date ordinary income (loss). Tax jurisdictions with a projected or year-to-date loss for which a tax benefit cannot be realized are excluded. The tax effects of unusual or infrequently occurring items, including changes in judgment about valuation allowances and effects of changes in tax laws or rates, are reported in the interim period in which they occur.

In the three months ended June 30, 2021, Income tax expense of \$971 million was primarily due to tax expense attributable to entities included in our effective tax rate calculation. In the three months ended June 30, 2020, Income tax benefit of \$112 million was primarily due to tax benefit attributable to entities included in our effective tax rate calculation.

In the six months ended June 30, 2021, Income tax expense of \$2.1 billion was primarily due to tax expense attributable to entities included in our effective tax rate calculation and the establishment of a valuation allowance against Cruise deferred tax assets that are considered no longer realizable. In the six months ended June 30, 2020, Income tax expense of \$245 million on a pre-tax loss was primarily due to tax expense attributable to entities included in our effective tax rate calculation and the establishment of a valuation allowance against deferred tax assets.

In the six months ended June 30, 2021, Cruise issued new preferred shares to investors. As a result of the issuance in January 2021, Cruise fell below the ownership threshold required for inclusion in our U.S. consolidated income tax returns, and we established a valuation allowance of \$316 million against deferred tax assets. Refer to Note 16 to our condensed consolidated financial statements for additional information regarding the Cruise preferred stock issuance.

At June 30, 2021, we had \$21.7 billion of net deferred tax assets consisting of net operating losses and income tax credits, capitalized research expenditures and other timing differences that are available to offset future income tax liabilities, partially offset by valuation allowances.

**Note 15. Restructuring and Other Initiatives**

We have executed various restructuring and other initiatives and we may execute additional initiatives in the future, if necessary, to streamline manufacturing capacity and reduce other costs to improve the utilization of remaining facilities. To the extent these programs involve voluntary separations, a liability is generally recorded at the time offers to employees are accepted. To the extent these programs provide separation benefits in accordance with pre-existing agreements, a liability is recorded once the amount is probable and reasonably estimable. If employees are involuntarily terminated, a liability is generally recorded at the communication date. Related charges are recorded in Automotive and other cost of sales and Automotive and other selling, general and administrative expense.

The following table summarizes the reserves and charges related to restructuring and other initiatives, including postemployment benefit reserves and charges:

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Balance at beginning of period	\$ 275	\$ 583	\$ 352	\$ 564
Additions, interest accretion and other	55	35	58	254
Payments	(29)	(163)	(108)	(338)
Revisions to estimates and effect of foreign currency	2	25	1	—
Balance at end of period	\$ 303	\$ 480	\$ 303	\$ 480

In the three and six months ended June 30, 2020, restructuring and other initiatives primarily included actions in GMI related to the wind-down of Holden sales, design and engineering operations in Australia and New Zealand and the execution of binding term sheets to sell our vehicle and powertrain manufacturing facilities in Thailand. We recorded charges of \$92 million in the three months ended June 30, 2020, primarily for inventory provisions. We recorded charges of \$581 million in the six months ended June 30, 2020, primarily consisting of \$335 million in property and intangible asset impairments, inventory provisions, sales allowances and other charges, not reflected in the table above, and \$246 million in dealer restructurings and employee separation charges, which are reflected in the table above. These programs, including the execution of a binding term sheet to sell our manufacturing facility in India, had a total cost since inception of \$689 million. We also recorded a \$236 million charge to Income tax expense due to the establishment of a valuation allowance against deferred tax assets in Australia and New Zealand in the six months ended June 30, 2020. We incurred \$69 million in net cash outflows in the six

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

months ended June 30, 2020 resulting from these restructuring actions, primarily for sales allowances payments and dealer restructuring payments, and \$227 million in net cash outflows since program inception, primarily for dealer restructuring payments and employee separation payments, which includes proceeds of \$143 million from the sale of our manufacturing facilities in Thailand.

**Note 16. Stockholders' Equity and Noncontrolling Interests**

We have 2.0 billion shares of preferred stock and 5.0 billion shares of common stock authorized for issuance. We had no shares of preferred stock issued and outstanding at June 30, 2021 and December 31, 2020. We had 1.5 billion and 1.4 billion shares of common stock issued and outstanding at June 30, 2021 and December 31, 2020.

**Cruise Preferred Shares** In the six months ended June 30, 2021, GM Cruise Holdings LLC (Cruise Holdings) issued \$2.7 billion of Class G Preferred Shares (Cruise Class G Preferred Shares) to Microsoft Corporation (Microsoft), Walmart Inc. (Walmart) and other investors, including \$1.0 billion to General Motors Holdings LLC. All proceeds related to the Cruise Class G Preferred Shares are designated exclusively for working capital and general corporate purposes of Cruise Holdings. In addition, we, Cruise Holdings and Microsoft entered into a long-term strategic relationship to accelerate the commercialization of self-driving vehicles with Microsoft being the preferred public cloud provider.

The Cruise Class G Preferred Shares participate *pari passu* with holders of Cruise Holdings common stock and Class F Preferred Shares (Cruise Class F Preferred Shares) in any dividends declared. Each Cruise Class G Preferred Share is entitled to one vote per Cruise Class G Preferred Share on all matters submitted for vote by or consent of the Cruise Holdings members. The holders of Cruise Class G Preferred Shares are restricted from transferring the Cruise Class G Preferred Shares for four years, without the written consent of both us and Cruise Holdings' Board of Directors. The Cruise Class G Preferred Shares convert into the class of shares to be issued to the public in an initial public offering (IPO) at specified exchange ratios. No covenants or other events of default exist that can trigger redemption of the Cruise Class G Preferred Shares. The Cruise Class G Preferred Shares are entitled to receive the greater of their carrying value or a pro-rata share of any proceeds or distributions upon the occurrence of a merger, sale, liquidation or dissolution of Cruise Holdings, and are classified as noncontrolling interests in our condensed consolidated financial statements.

Consistent with the Cruise Class G Preferred Shares, the Class A-1 Preferred Shares issued to SoftBank in 2018 (Cruise Class A-1 Preferred Shares) and Cruise Class F Preferred Shares convert into the class of shares to be issued to the public in an IPO at specified exchange ratios. Beginning on June 28, 2025, SoftBank has the option to convert all of the Cruise Class A-1 Preferred Shares into our common stock at a conversion ratio that is indexed to the fair value of Cruise Holdings at the time of conversion. In the event SoftBank exercises such option, we have the option to settle the conversion feature with our common shares or cash, and in certain situations with nonredeemable, nonconvertible preferred shares. The Cruise Class A-1 Preferred Shares and Cruise Class F Preferred Shares are entitled to receive the greater of their carrying value or a pro-rata share of any proceeds or distributions upon the occurrence of a merger, sale, liquidation, or dissolution of Cruise Holdings.

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## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the significant components of Accumulated other comprehensive loss:

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Foreign Currency Translation Adjustments</b>				
Balance at beginning of period	\$ (2,759)	\$ (3,091)	\$ (2,735)	\$ (2,277)
Other comprehensive income (loss) and noncontrolling interests, net of reclassification adjustment and tax(a)(b)	314	(101)	290	(915)
Balance at end of period	<u>\$ (2,445)</u>	<u>\$ (3,192)</u>	<u>\$ (2,445)</u>	<u>\$ (3,192)</u>
<b>Defined Benefit Plans</b>				
Balance at beginning of period	\$ (10,494)	\$ (8,540)	\$ (10,654)	\$ (8,857)
Other comprehensive income (loss) before reclassification adjustment, net of tax(b)	(48)	(97)	38	166
Reclassification adjustment, net of tax(b)	76	58	150	112
Other comprehensive income (loss), net of tax(b)	28	(39)	188	278
Balance at end of period(c)	<u>\$ (10,466)</u>	<u>\$ (8,579)</u>	<u>\$ (10,466)</u>	<u>\$ (8,579)</u>

(a) The noncontrolling interests and reclassification adjustment were insignificant in the three and six months ended June 30, 2021 and 2020.

(b) The income tax effect was insignificant in the three and six months ended June 30, 2021 and 2020.

(c) Primarily consists of unamortized actuarial loss on our defined benefit plans. Refer to Note 2. Significant Accounting Policies of our 2020 Form 10-K for additional information.



## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

**Note 17. Earnings Per Share**

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
<b>Basic earnings per share</b>				
Net income (loss) attributable to stockholders	\$ 2,836	\$ (758)	\$ 5,858	\$ (464)
Less: cumulative dividends on subsidiary preferred stock	(46)	(48)	(91)	(95)
Net income (loss) attributable to common stockholders	<u>\$ 2,790</u>	<u>\$ (806)</u>	<u>\$ 5,767</u>	<u>\$ (559)</u>
Weighted-average common shares outstanding	1,451	1,432	1,449	1,432
Basic earnings (loss) per common share	\$ 1.92	\$ (0.56)	\$ 3.98	\$ (0.39)
<b>Diluted earnings per share</b>				
Net income (loss) attributable to common stockholders – diluted	\$ 2,790	\$ (806)	\$ 5,767	\$ (559)
Weighted-average common shares outstanding – basic	1,451	1,432	1,449	1,432
Dilutive effect of awards under stock incentive plans	17	—	17	—
Weighted-average common shares outstanding – diluted	<u>1,468</u>	<u>1,432</u>	<u>1,466</u>	<u>1,432</u>
Diluted earnings (loss) per common share	\$ 1.90	\$ (0.56)	\$ 3.93	\$ (0.39)
Potentially dilutive securities(a)	2	43	2	43

(a) Potentially dilutive securities attributable to outstanding stock options at June 30, 2021 and 2020 and Performance Stock Units (PSUs) and Restricted Stock Units (RSUs) at June 30, 2020, were excluded from the computation of diluted earnings per share (EPS) because the securities would have had an antidilutive effect.

**Note 18. Segment Reporting**

We analyze the results of our business through the following reportable segments: GMNA, GMI, Cruise and GM Financial. The chief operating decision maker evaluates the operating results and performance of our automotive segments and Cruise through earnings before interest and income taxes (EBIT)-adjusted, which is presented net of noncontrolling interests. The chief operating decision maker evaluates GM Financial through earnings before income taxes (EBT)-adjusted because interest income and interest expense are part of operating results when assessing and measuring the operational and financial performance of the segment. Each segment has a manager responsible for executing our strategic initiatives. While not all vehicles within a segment are individually profitable on a fully allocated cost basis, those vehicles attract customers to dealer showrooms and help maintain sales volumes for other, more profitable vehicles and contribute towards meeting required fuel efficiency standards. As a result of these and other factors, we do not manage our business on an individual brand or vehicle basis.

Substantially all of the trucks, crossovers, cars and automobile parts produced are marketed through retail dealers in North America and through distributors and dealers outside of North America, the substantial majority of which are independently owned. In addition to the products sold to dealers for consumer retail sales, trucks, crossovers and cars are also sold to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies and governments. Fleet sales are completed through the dealer network and in some cases directly with fleet customers. Retail and fleet customers can obtain a wide range of after-sale vehicle services and products through the dealer network, such as maintenance, light repairs, collision repairs, vehicle accessories and extended service warranties.

GMNA meets the demands of customers in North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. GMI primarily meets the demands of customers outside North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. We also have equity ownership stakes in entities that meet the demands of customers in other countries, primarily China, with vehicles developed, manufactured and/or marketed under the Baojun, Buick, Cadillac, Chevrolet and Wuling brands. We provide automotive

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

financing services through GM Financial. Cruise is our global segment responsible for the development and commercialization of autonomous vehicle technology, and includes autonomous vehicle-related engineering and other costs.

Our automotive interest income and interest expense, legacy costs from the Opel/Vauxhall Business (primarily pension costs), corporate expenditures and certain nonsegment-specific revenues and expenses are recorded centrally in Corporate. Corporate assets primarily consist of cash and cash equivalents, marketable debt securities, Stellantis warrants and intercompany balances. Retained net underfunded pension liabilities related to the European Business are also recorded in Corporate. All intersegment balances and transactions have been eliminated in consolidation.

The following tables summarize key financial information by segment:

	At and For the Three Months Ended June 30, 2021								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	\$ 27,932	\$ 2,792	\$ 21		\$ 30,745	\$ 25	\$ 3,426	\$ (29)	\$ 34,167
Earnings (loss) before interest and taxes-adjusted	\$ 2,894	\$ 15	\$ (38)		\$ 2,871	\$ (332)	\$ 1,581	\$ (3)	\$ 4,117
Adjustments(a)	\$ (17)	\$ (82)	\$ —		\$ (99)	\$ —	\$ —	\$ —	\$ (99)
Automotive interest income									32
Automotive interest expense									(243)
Net (loss) attributable to noncontrolling interests									(57)
Income before income taxes									3,750
Income tax expense									(971)
Net income									2,779
Net loss attributable to noncontrolling interests									57
Net income attributable to stockholders									\$ 2,836
Equity in net assets of nonconsolidated affiliates	\$ 482	\$ 6,696	\$ —	\$ —	\$ 7,178	\$ —	\$ 1,704	\$ —	\$ 8,882
Goodwill and intangibles	\$ 2,292	\$ 789	\$ —	\$ —	\$ 3,081	\$ 743	\$ 1,345	\$ —	\$ 5,169
Total assets	\$ 115,220	\$ 22,203	\$ 37,424	\$ (52,138)	\$ 122,709	\$ 5,204	\$ 115,346	\$ (1,456)	\$ 241,803
Depreciation and amortization	\$ 1,281	\$ 137	\$ 4	\$ —	\$ 1,422	\$ 13	\$ 1,579	\$ —	\$ 3,014
Impairment charges	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ —	\$ —	\$ 4
Equity income	\$ 3	\$ 274	\$ —	\$ —	\$ 277	\$ —	\$ 50	\$ —	\$ 327

(a) Consists of restructuring charges related to Cadillac dealer strategy in GMNA and an adjustment related to unique events associated with recent Korea Supreme Court decisions related to our salaried workers in GMI.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**
**At and For the Three Months Ended June 30, 2020**

	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	\$ 11,604	\$ 1,677	\$ 80		\$ 13,361	\$ 28	\$ 3,423	\$ (34)	\$ 16,778
Earnings (loss) before interest and taxes-adjusted	\$ (101)	\$ (270)	\$ (182)		\$ (553)	\$ (195)	\$ 226	\$ (14)	\$ (536)
Adjustments(a)	\$ —	\$ (92)	\$ —		\$ (92)	\$ —	\$ —	\$ —	\$ (92)
Automotive interest income									61
Automotive interest expense									(303)
Net (loss) attributable to noncontrolling interests									(22)
Loss before income taxes									(892)
Income tax benefit									112
Net loss									(780)
Net loss attributable to noncontrolling interests									22
Net loss attributable to stockholders									\$ (758)
Equity in net assets of nonconsolidated affiliates	\$ 133	\$ 6,107	\$ —	\$ —	\$ 6,240	\$ —	\$ 1,484	\$ —	\$ 7,724
Goodwill and intangibles	\$ 2,399	\$ 819	\$ 1	\$ —	\$ 3,219	\$ 726	\$ 1,337	\$ —	\$ 5,282
Total assets	\$ 101,521	\$ 21,494	\$ 43,258	\$ (41,700)	\$ 124,573	\$ 3,963	\$ 111,154	\$ (2,155)	\$ 237,535
Depreciation and amortization	\$ 1,127	\$ 149	\$ 6	\$ —	\$ 1,282	\$ 11	\$ 1,965	\$ —	\$ 3,258
Impairment charges	\$ —	\$ 7	\$ —	\$ —	\$ 7	\$ —	\$ —	\$ —	\$ 7
Equity income	\$ 5	\$ 165	\$ —	\$ —	\$ 170	\$ —	\$ 42	\$ —	\$ 212

(a) Consists of restructuring and other charges in Australia, New Zealand and Thailand.

**At and For the Six Months Ended June 30, 2021**

	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	\$ 53,889	\$ 5,878	\$ 40		\$ 59,807	\$ 55	\$ 6,833	\$ (54)	\$ 66,641
Earnings (loss) before interest and taxes-adjusted	\$ 6,028	\$ 323	\$ (8)		\$ 6,343	\$ (561)	\$ 2,763	\$ (11)	\$ 8,534
Adjustments(a)	\$ (17)	\$ (82)	\$ —		\$ (99)	\$ —	\$ —	\$ —	\$ (99)
Automotive interest income									64
Automotive interest expense									(493)
Net (loss) attributable to noncontrolling interests									(65)
Income before income taxes									7,941
Income tax expense									(2,148)
Net income									5,793
Net loss attributable to noncontrolling interests									65
Net income attributable to stockholders									\$ 5,858
Depreciation and amortization	\$ 2,479	\$ 269	\$ 10	\$ —	\$ 2,758	\$ 24	\$ 3,247	\$ —	\$ 6,029
Impairment charges	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ —	\$ —	\$ 4
Equity income	\$ 7	\$ 581	\$ —	\$ —	\$ 588	\$ —	\$ 104	\$ —	\$ 692

(a) Consists of restructuring charges related to Cadillac dealer strategy in GMNA and an adjustment related to unique events associated with recent Korea Supreme Court decisions related to our salaried workers in GMI.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At and For the Six Months Ended June 30, 2020

	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	\$ 37,435	\$ 4,957	\$ 118		\$ 42,510	\$ 53	\$ 6,984	\$ (60)	\$ 49,487
Earnings (loss) before interest and taxes- adjusted	\$ 2,093	\$ (821)	\$ (593)		\$ 679	\$ (423)	\$ 456	\$ 2	\$ 714
Adjustments(a)	\$ —	\$ (581)	\$ —		\$ (581)	\$ —	\$ —	\$ —	\$ (581)
Automotive interest income									144
Automotive interest expense									(496)
Net (loss) attributable to noncontrolling interests									(30)
Loss before income taxes									(249)
Income tax expense									(245)
Net loss									(494)
Net loss attributable to noncontrolling interests									30
Net loss attributable to stockholders									\$ (464)
Depreciation and amortization	\$ 2,354	\$ 315	\$ 15	\$ —	\$ 2,684	\$ 19	\$ 3,753	\$ —	\$ 6,456
Impairment charges	\$ 20	\$ 97	\$ —	\$ —	\$ 117	\$ —	\$ —	\$ —	\$ 117
Equity income	\$ 11	\$ 2	\$ —	\$ —	\$ 13	\$ —	\$ 67	\$ —	\$ 80

(a) Consists of restructuring and other charges in Australia, New Zealand and Thailand.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**Basis of Presentation** This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with the accompanying condensed consolidated financial statements and the notes thereto, and the audited consolidated financial statements and notes thereto included in our 2020 Form 10-K.

Forward-looking statements in this MD&A are not guarantees of future performance and may involve risks and uncertainties that could cause actual results to differ materially from those projected. Refer to the "Forward-Looking Statements" section of this MD&A and Part 1, Item 1A. Risk Factors of our 2020 Form 10-K for a discussion of these risks and uncertainties. Except for per share amounts or as otherwise specified, dollar amounts presented within tables are stated in millions.

**Non-GAAP Measures** Our non-GAAP measures include: EBIT-adjusted, presented net of noncontrolling interests; EBT-adjusted for our GM Financial segment; EPS-diluted-adjusted; effective tax rate-adjusted (ETR-adjusted); return on invested capital-adjusted (ROIC-adjusted) and adjusted automotive free cash flow. Our calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related U.S. GAAP measures.

These non-GAAP measures allow management and investors to view operating trends, perform analytical comparisons and benchmark performance between periods and among geographic regions to understand operating performance without regard to items we do not consider a component of our core operating performance. Furthermore, these non-GAAP measures allow investors the opportunity to measure and monitor our performance against our externally communicated targets and evaluate the investment decisions being made by management to improve ROIC-adjusted. Management uses these measures in its financial, investment and operational decision-making processes, for internal reporting and as part of its forecasting and budgeting processes. Further, our Board of Directors uses certain of these and other measures as key metrics to determine management performance under our performance-based compensation plans. For these reasons, we believe these non-GAAP measures are useful for our investors.

**EBIT-adjusted** EBIT-adjusted is presented net of noncontrolling interests and is used by management and can be used by investors to review our consolidated operating results because it excludes automotive interest income, automotive interest expense and income taxes as well as certain additional adjustments that are not considered part of our core operations. Examples of adjustments to EBIT include, but are not limited to, impairment charges on long-lived assets and other exit costs resulting from strategic shifts in our operations or discrete market and business conditions; costs arising from the ignition switch recall and related legal matters; and certain currency devaluations associated with hyperinflationary economies. For EBIT-adjusted and our other non-GAAP measures, once we have made an adjustment in the current period for an item, we will also adjust the related non-GAAP measure in any future periods in which there is an impact from the item. Our corresponding measure for our GM Financial segment is EBT-adjusted because interest income and interest expense are part of operating results when assessing and measuring the operational and financial performance of the segment.

**EPS-diluted-adjusted** EPS-diluted-adjusted is used by management and can be used by investors to review our consolidated diluted EPS results on a consistent basis. EPS-diluted-adjusted is calculated as net income attributable to common stockholders-diluted less adjustments noted above for EBIT-adjusted and certain income tax adjustments divided by weighted-average common shares outstanding-diluted. Examples of income tax adjustments include the establishment or reversal of significant deferred tax asset valuation allowances.

**ETR-adjusted** ETR-adjusted is used by management and can be used by investors to review the consolidated effective tax rate for our core operations on a consistent basis. ETR-adjusted is calculated as Income tax expense less the income tax related to the adjustments noted above for EBIT-adjusted and the income tax adjustments noted above for EPS-diluted-adjusted divided by Income before income taxes less adjustments. When we provide an expected adjusted effective tax rate, we do not provide an expected effective tax rate because the U.S. GAAP measure may include significant adjustments that are difficult to predict.

**ROIC-adjusted** ROIC-adjusted is used by management and can be used by investors to review our investment and capital allocation decisions. We define ROIC-adjusted as EBIT-adjusted for the trailing four quarters divided by ROIC-adjusted average net assets, which is considered to be the average equity balances adjusted for average automotive debt and interest liabilities, exclusive of finance leases; average automotive net pension and OPEB liabilities; and average automotive net income tax assets during the same period.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

**Adjusted automotive free cash flow** Adjusted automotive free cash flow is used by management and can be used by investors to review the liquidity of our automotive operations and to measure and monitor our performance against our capital allocation program and evaluate our automotive liquidity against the substantial cash requirements of our automotive operations. We measure adjusted automotive free cash flow as automotive operating cash flow from operations less capital expenditures adjusted for management actions. Management actions can include voluntary events such as discretionary contributions to employee benefit plans or nonrecurring specific events such as a closure of a facility that are considered special for EBIT-adjusted purposes. Refer to the "Liquidity and Capital Resources" section of this MD&A for additional information.

The following table reconciles Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted:

	Three Months Ended							
	June 30,		March 31,		December 31,		September 30,	
	2021	2020	2021	2020	2020	2019	2020	2019
Net income (loss) attributable to stockholders	\$ 2,836	\$ (758)	\$ 3,022	\$ 294	\$ 2,846	\$ (194)	\$ 4,045	\$ 2,351
Income tax expense (benefit)	971	(112)	1,177	357	642	(163)	887	271
Automotive interest expense	243	303	250	193	275	200	327	206
Automotive interest income	(32)	(61)	(32)	(83)	(46)	(96)	(51)	(129)
<b>Adjustments</b>								
GM Korea wage litigation(a)	82	—	—	—	—	—	—	—
Cadillac dealer strategy(b)	17	—	—	—	99	—	—	—
GMI restructuring(c)	—	92	—	489	26	—	76	—
Ignition switch recall and related legal matters(d)	—	—	—	—	(130)	—	—	—
Transformation activities(e)	—	—	—	—	—	194	—	390
FAW-GM divestiture(f)	—	—	—	—	—	164	—	—
GM Brazil indirect tax recoveries(g)	—	—	—	—	—	—	—	(123)
<b>Total adjustments</b>	<b>99</b>	<b>92</b>	<b>—</b>	<b>489</b>	<b>(5)</b>	<b>358</b>	<b>76</b>	<b>267</b>
<b>EBIT (loss)-adjusted</b>	<b>\$ 4,117</b>	<b>\$ (536)</b>	<b>\$ 4,417</b>	<b>\$ 1,250</b>	<b>\$ 3,712</b>	<b>\$ 105</b>	<b>\$ 5,284</b>	<b>\$ 2,966</b>

(a) This adjustment was excluded because of the unique events associated with recent Supreme Court of Korea decisions related to our salaried workers.

(b) These adjustments were excluded because they relate to strategic activities to transition certain Cadillac dealers from the network as part of Cadillac's electric vehicle strategy.

(c) These adjustments were excluded because of a strategic decision to rationalize our core operations by exiting or significantly reducing our presence in various international markets to focus resources on opportunities expected to deliver higher returns. These adjustments primarily consist of inventory provisions in the three months ended June 30, 2020, asset impairments, dealer restructurings, employee separation charges and sales allowances in Australia, New Zealand and Thailand in the three months ended March 31, 2020, employee separation charges in the three months ended December 31, 2020, and supplier claims in the three months ended September 30, 2020.

(d) This adjustment was excluded because of the unique events associated with the ignition switch recall, which included various investigations, inquiries and complaints from constituents.

(e) These adjustments were excluded because of a strategic decision to accelerate our transformation for the future to strengthen our core business, capitalize on the future of personal mobility and drive significant cost efficiencies. The adjustments primarily consist of accelerated depreciation and employee separation charges in the three months ended December 31, 2019, and supplier-related charges and pension curtailment and other charges in the three months ended September 30, 2019.

(f) This adjustment was excluded because we divested our joint venture FAW-GM Light Duty Commercial Vehicle Co., Ltd. (FAW-GM), as a result of a strategic decision by both shareholders, allowing us to focus our resources on opportunities expected to deliver higher returns.

(g) This adjustment was excluded because of the unique events associated with decisions rendered by the Superior Judicial Court of Brazil resulting in retrospective recoveries of indirect taxes.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

The following table reconciles diluted earnings (loss) per common share under U.S. GAAP to EPS-diluted-adjusted:

	Three Months Ended				Six Months Ended			
	June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Diluted earnings (loss) per common share	\$ 2,790	\$ 1.90	\$ (806)	\$ (0.56)	\$ 5,767	\$ 3.93	\$ (559)	\$ (0.39)
Adjustments(a)	99	0.07	92	0.06	99	0.06	581	0.41
Tax effect on adjustment(b)	(4)	—	5	—	(4)	—	(68)	(0.05)
Tax adjustment(c)	—	—	—	—	316	0.22	236	0.16
EPS-diluted-adjusted	\$ 2,885	\$ 1.97	\$ (709)	\$ (0.50)	\$ 6,178	\$ 4.21	\$ 190	\$ 0.13

- (a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted within this section of MD&A for the details of each individual adjustment.
- (b) The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
- (c) These adjustments consist of tax expense related to the establishment of a valuation allowance against deferred tax assets that are considered no longer realizable for Cruise in the six months ended June 30, 2021 and for GM in Australia and New Zealand for the six months ended June 30, 2020. These adjustments were excluded because significant impacts of valuation allowances are not considered part of our core operations.

The following table reconciles our effective tax rate under U.S. GAAP to ETR-adjusted:

	Three Months Ended						Six Months Ended					
	June 30, 2021			June 30, 2020			June 30, 2021			June 30, 2020		
	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate
Effective tax rate	\$ 3,750	\$ 971	25.9 %	\$ (892)	\$ (112)	12.6 %	\$ 7,941	\$ 2,148	27.0 %	\$ (249)	\$ 245	n.m.
Adjustments(a)	124	4		92	(5)		124	4		581	68	
Tax adjustment(b)								(316)			(236)	
ETR-adjusted	\$ 3,874	\$ 975	25.2 %	\$ (800)	\$ (117)	14.6 %	\$ 8,065	\$ 1,836	22.8 %	\$ 332	\$ 77	23.2 %

n.m. = not meaningful

- (a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted within this section of MD&A for adjustment details. These adjustments include Net income attributable to noncontrolling interests where applicable. The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
- (b) Refer to the reconciliation of diluted earnings per common share under U.S. GAAP to EPS-diluted-adjusted within this section of MD&A for adjustment details.

We define return on equity (ROE) as Net income (loss) attributable to stockholders for the trailing four quarters divided by average equity for the same period. Management uses average equity to provide comparable amounts in the calculation of ROE. The following table summarizes the calculation of ROE (dollars in billions):

	Four Quarters Ended	
	June 30, 2021	June 30, 2020
Net income (loss) attributable to stockholders	\$ 12.7	\$ 1.7
Average equity(a)	\$ 49.2	\$ 42.8
ROE	25.9 %	4.0 %

- (a) Includes equity of noncontrolling interests where the corresponding earnings (loss) are included in Net income (loss) attributable to stockholders.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

The following table summarizes the calculation of ROIC-adjusted (dollars in billions):

	Four Quarters Ended	
	June 30, 2021	June 30, 2020
EBIT (loss)-adjusted(a)	\$ 17.5	\$ 3.8
Average equity(b)	\$ 49.2	\$ 42.8
Add: Average automotive debt and interest liabilities (excluding finance leases)	20.3	23.6
Add: Average automotive net pension & OPEB liability	17.8	17.1
Less: Average automotive and other net income tax asset	(23.2)	(23.9)
ROIC-adjusted average net assets	\$ 64.1	\$ 59.6
ROIC-adjusted	27.3 %	6.4 %

(a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted within this section of MD&A.

(b) Includes equity of noncontrolling interests where the corresponding earnings (loss) are included in EBIT (loss)-adjusted.

**Overview** Our vision for the future is a world with zero crashes, zero emissions and zero congestion, which guides our growth-focused investment in electric and autonomous vehicles, and new products and services. The all-electric future we are building integrates our technology, scale and manufacturing expertise to drive growth, profitability and deliver world-class customer interactions. Our strategy includes product leadership in electric and autonomous vehicles, continued leadership in trucks and SUVs, and developing and monetizing new software and services. We will execute our strategy with a diverse team and a steadfast commitment to good citizenship through sustainable operations and a leading health and safety culture.

The automotive industry and GM are currently experiencing a global semiconductor supply shortage. The supply shortage has impacted, and continues to impact, multiple suppliers that incorporate semiconductors into the parts they supply to us. We expect the semiconductor supply shortage will continue to have an impact on our business for the foreseeable future. We will continue prioritizing our most popular and in-demand vehicles, including our full-size trucks, full-size SUVs, and electric vehicles. We do not expect this shortage to impact our growth and electric vehicle initiatives. In June 2021, we announced plans to increase our investment in electric and autonomous vehicles from \$27.0 billion to \$35.0 billion, through 2025, to accelerate battery and electric vehicle assembly capacity.

We also continue to monitor the impact of the COVID-19 pandemic, and government actions and measures taken to prevent its spread, and the potential to affect our operations. Refer to Part I, Item 1A. Risk Factors of our 2020 Form 10-K for further discussion of these risks.

For the year ending December 31, 2021, we expect EPS-diluted of between \$5.12 and \$6.12, EPS-diluted-adjusted of between \$5.40 and \$6.40, Net income attributable to stockholders of between \$7.7 billion and \$9.2 billion and EBIT-adjusted of between \$11.5 billion and \$13.5 billion. Due to the uncertainty of the semiconductor supply shortage, our cash flow from operations could be impacted by year end work-in-process inventory related to vehicles produced without modules. The value of the vehicles manufactured without modules held in inventory was \$1.4 billion at June 30, 2021. We do not consider the potential impact of future adjustments on our expected financial results.

The following table reconciles expected Net income attributable to stockholders under U.S. GAAP to expected EBIT-adjusted (dollars in billions):

	Year Ending December 31, 2021
Net income attributable to stockholders	\$ 7.7-9.2
Income tax expense	2.8-3.3
Automotive interest expense, net	0.9
Adjustments(a)	0.1
EBIT-adjusted(b)	\$ 11.5-13.5

(a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted within the MD&A for the details of each individual adjustment.

(b) We do not consider the potential future impact of adjustments on our expected financial results.



## GENERAL MOTORS COMPANY AND SUBSIDIARIES

The following table reconciles expected EPS-diluted under U.S. GAAP to expected EPS-diluted-adjusted:

	Year Ending December 31, 2021
Diluted earnings per common share	\$ 5.12-6.12
Adjustments(a)	0.28
EPS-diluted-adjusted(b)	\$ 5.40-6.40

(a) Refer to the reconciliation of diluted earnings (loss) per common share under U.S. GAAP to EPS-diluted-adjusted for within the MD&A for the details of each individual adjustment.

(b) We do not consider the potential future impact of adjustments on our expected financial results.

We also face continuing market, operating and regulatory challenges in several countries across the globe due to, among other factors, weak economic conditions, competitive pressures, our product portfolio offerings, heightened emissions standards, labor disruptions, foreign exchange volatility, rising material prices, evolving trade policy and political uncertainty. Refer to Part I, Item 1A. Risk Factors of our 2020 Form 10-K for a discussion of these challenges.

As we continue to assess our performance and the needs of our evolving business, additional restructuring and rationalization actions could be required. These actions could give rise to future asset impairments or other charges, which may have a material impact on our operating results.

**GMNA** Industry sales in North America were 10.1 million units in the six months ended June 30, 2021, representing an increase of 29.5% compared to the corresponding period in 2020. U.S. industry sales were 8.5 million units in the six months ended June 30, 2021, representing an increase of 29.5% compared to the corresponding period in 2020.

Our total vehicle sales in the U.S., our largest market in North America, were 1.3 million units for market share of 15.6% in the six months ended June 30, 2021, representing a decrease of 1.3 percentage points compared to the corresponding period in 2020.

We expect to sustain relatively strong EBIT-adjusted margins in 2021 on the continued strength of favorable vehicle pricing and strong U.S. industry light vehicle sales, partially offset by higher costs associated with commodities and raw materials. Our outlook is dependent on the economic impact of the COVID-19 pandemic and the global shortage of semiconductors, both of which continue to evolve. As a result of the shortage of semiconductors, we have experienced interruptions to our planned production schedules and temporarily suspended certain manufacturing sites to prioritize production of our most popular and in-demand products, including our full-size trucks and full-size SUVs. Additionally, we have been manufacturing vehicles, without the impacted components, representing an inventory carrying value of approximately \$1.4 billion at June 30, 2021. We expect to hold these vehicles in our inventory until they are completed and sold to our dealers.

**GMI** Industry sales in China were 13.3 million units in the six months ended June 30, 2021, representing an increase of 29.1% compared to the corresponding period in 2020, which was adversely impacted by the COVID-19 pandemic. Our total vehicle sales in China were 1.5 million units for market share of 11.5% in the six months ended June 30, 2021, representing an increase of 0.1 percentage points compared to the corresponding period in 2020. The ongoing global semiconductor supply shortage, macro-economic impact of COVID-19 and geopolitical tensions may place pressure on China's automotive industry. Our Automotive China JVs generated equity income of \$0.6 billion in the six months ended June 30, 2021. Although price competition, higher costs associated with commodities and raw materials, and a more challenging regulatory environment related to emissions, fuel consumption and new energy vehicles will place pressure on our operations in China, we will continue to build upon our strong brands, network, and partnerships in China as well as drive improvements in vehicle mix and cost.

Outside of China, industry sales were 11.7 million units in the six months ended June 30, 2021, representing an increase of 25.5% compared to the corresponding period in 2020. Our total vehicle sales outside of China were 0.4 million units for a market share of 3.7% in the six months ended June 30, 2021, representing a decrease of 1.3 percentage points compared to the corresponding period in 2020.

**Cruise** Cruise is actively testing autonomous vehicles in the United States. Gated by safety and regulation, Cruise continues to make significant progress towards commercialization of a network of on-demand autonomous vehicles in the United States and globally.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

In the six months ended June 30, 2021, Cruise Holdings issued Cruise Class G Preferred Shares in exchange for \$2.7 billion from Microsoft, Walmart and other investors, including \$1.0 billion from General Motors Holdings LLC. All proceeds related to the Cruise Class G Preferred Shares are designated exclusively for working capital and general corporate purposes of Cruise Holdings. In addition, we, Cruise Holdings and Microsoft entered into a long-term strategic relationship to accelerate the commercialization of self-driving vehicles with Microsoft being the preferred public cloud provider. Refer to Note 16 to our condensed consolidated financial statements for further details.

**Vehicle Sales** The principal factors that determine consumer vehicle preferences in the markets in which we operate include overall vehicle design, price, quality, available options, safety, reliability, fuel economy and functionality. Market leadership in individual countries in which we compete varies widely.

We present both wholesale and total vehicle sales data to assist in the analysis of our revenue and our market share. Wholesale vehicle sales data consists of sales to GM's dealers and distributors as well as sales to the U.S. Government and excludes vehicles sold by our joint ventures. Wholesale vehicle sales data correlates to our revenue recognized from the sale of vehicles, which is the largest component of Automotive net sales and revenue. In the six months ended June 30, 2021, 28.1% of our wholesale vehicle sales volume was generated outside the U.S. The following table summarizes wholesale vehicle sales by automotive segment (vehicles in thousands):

	Three Months Ended				Six Months Ended			
	June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020	
GMNA	642	84.4 %	331	78.6 %	1,306	82.6 %	1,106	79.8 %
GMI	118	15.6 %	90	21.4 %	275	17.4 %	281	20.2 %
Total	760	100.0 %	421	100.0 %	1,581	100.0 %	1,387	100.0 %

Total vehicle sales data represents: (1) retail sales (i.e., sales to consumers who purchase new vehicles from dealers or distributors); (2) fleet sales (i.e., sales to large and small businesses, governments, and daily rental car companies); and (3) vehicles used by dealers in their businesses, including courtesy transportation vehicles. Total vehicle sales data includes all sales by joint ventures on a total vehicle basis, not based on our percentage ownership interest in the joint venture. Certain joint venture agreements in China allow for the contractual right to report vehicle sales of non-GM trademarked vehicles by those joint ventures, which are included in the total vehicle sales we report for China. While total vehicle sales data does not correlate directly to the revenue we recognize during a particular period, we believe it is indicative of the underlying demand for our vehicles. Total vehicle sales data represents management's good faith estimate based on sales reported by GM's dealers, distributors, and joint ventures, commercially available data sources such as registration and insurance data, and internal estimates and forecasts when other data is not available.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

The following table summarizes industry and GM total vehicle sales and our related competitive position by geographic region (vehicles in thousands):

	Three Months Ended						Six Months Ended					
	June 30, 2021			June 30, 2020			June 30, 2021			June 30, 2020		
	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share
<b>North America</b>												
United States	4,523	688	15.2 %	3,019	492	16.3 %	8,541	1,330	15.6 %	6,598	1,111	16.8 %
Other	839	106	12.6 %	503	73	14.4 %	1,573	210	13.3 %	1,210	173	14.3 %
<b>Total North America</b>	<b>5,362</b>	<b>794</b>	<b>14.8 %</b>	<b>3,522</b>	<b>565</b>	<b>16.0 %</b>	<b>10,114</b>	<b>1,540</b>	<b>15.2 %</b>	<b>7,808</b>	<b>1,284</b>	<b>16.4 %</b>
<b>Asia/Pacific, Middle East and Africa</b>												
China(a)	6,646	751	11.3 %	6,391	714	11.2 %	13,342	1,531	11.5 %	10,337	1,175	11.4 %
Other	4,729	124	2.6 %	3,189	131	4.1 %	9,959	225	2.3 %	8,098	275	3.4 %
<b>Total Asia/Pacific, Middle East and Africa</b>	<b>11,375</b>	<b>875</b>	<b>7.7 %</b>	<b>9,580</b>	<b>845</b>	<b>8.8 %</b>	<b>23,301</b>	<b>1,756</b>	<b>7.5 %</b>	<b>18,435</b>	<b>1,450</b>	<b>7.9 %</b>
<b>South America</b>												
Brazil	546	50	9.1 %	250	40	15.8 %	1,074	125	11.6 %	808	134	16.6 %
Other	349	38	10.8 %	140	17	12.2 %	706	80	11.4 %	451	55	12.1 %
<b>Total South America</b>	<b>895</b>	<b>88</b>	<b>9.8 %</b>	<b>390</b>	<b>57</b>	<b>14.5 %</b>	<b>1,780</b>	<b>205</b>	<b>11.5 %</b>	<b>1,259</b>	<b>189</b>	<b>15.0 %</b>
<b>Total in GM markets</b>	<b>17,632</b>	<b>1,757</b>	<b>10.0 %</b>	<b>13,492</b>	<b>1,467</b>	<b>10.9 %</b>	<b>35,195</b>	<b>3,501</b>	<b>9.9 %</b>	<b>27,502</b>	<b>2,923</b>	<b>10.6 %</b>
Total Europe	4,358	—	— %	2,595	—	— %	8,297	1	— %	6,307	—	— %
<b>Total Worldwide(b)</b>	<b>21,990</b>	<b>1,757</b>	<b>8.0 %</b>	<b>16,087</b>	<b>1,467</b>	<b>9.1 %</b>	<b>43,492</b>	<b>3,502</b>	<b>8.1 %</b>	<b>33,809</b>	<b>2,923</b>	<b>8.6 %</b>
<b>United States</b>												
Cars	1,028	29	2.8 %	661	37	5.6 %	1,888	90	4.8 %	1,552	109	7.0 %
Trucks	1,139	356	31.2 %	846	253	30.0 %	2,198	663	30.1 %	1,792	545	30.4 %
Crossovers	2,356	303	12.9 %	1,512	202	13.4 %	4,455	577	13.0 %	3,254	457	14.0 %
<b>Total United States</b>	<b>4,523</b>	<b>688</b>	<b>15.2 %</b>	<b>3,019</b>	<b>492</b>	<b>16.3 %</b>	<b>8,541</b>	<b>1,330</b>	<b>15.6 %</b>	<b>6,598</b>	<b>1,111</b>	<b>16.8 %</b>
<b>China(a)</b>												
SGMS		353			350			700			557	
SGMW		398			364			831			618	
<b>Total China</b>	<b>6,646</b>	<b>751</b>	<b>11.3 %</b>	<b>6,391</b>	<b>714</b>	<b>11.2 %</b>	<b>13,342</b>	<b>1,531</b>	<b>11.5 %</b>	<b>10,337</b>	<b>1,175</b>	<b>11.4 %</b>

(a) Includes sales by the Automotive China JVs: SAIC General Motors Sales Co., Ltd. (SGMS) and SAIC GM Wuling Automobile Co., Ltd. (SGMW).

(b) Cuba, Iran, North Korea, Sudan and Syria are subject to broad economic sanctions. Accordingly, these countries are excluded from industry sales data and corresponding calculation of market share.

In the six months ended June 30, 2021, we estimate we were the market share leader in North America.

As discussed above, total vehicle sales and market share data provided in the table above includes fleet vehicles. Certain fleet transactions, particularly sales to daily rental car companies, are generally less profitable than retail sales to end customers. The following table summarizes estimated fleet sales and those sales as a percentage of total vehicle sales (vehicles in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
GMNA	118	70	251	269
GMI	74	47	134	126
<b>Total fleet sales</b>	<b>192</b>	<b>117</b>	<b>385</b>	<b>395</b>
<b>Fleet sales as a percentage of total vehicle sales</b>	<b>10.9 %</b>	<b>8.0 %</b>	<b>11.0 %</b>	<b>13.5 %</b>

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

**GM Financial** We believe that offering a comprehensive suite of financing products will generate incremental sales of our vehicles, drive incremental GM Financial earnings and help support our sales throughout various economic cycles. GM Financial's leasing program is exposed to residual values, which are heavily dependent on used vehicle prices. Due to high used vehicle prices, for the three and six months ended June 30, 2021 compared to the same periods in 2020, prices on leased vehicles at termination generally exceeded their contractual residual values, which resulted in increased lessee or grounding dealer purchases of the leased vehicles upon lease termination. The high used vehicle prices were driven by continued low new vehicle inventory, compounded by the global semiconductor supply shortage impacting automotive production, and strong demand for new and used vehicles driven by economic recovery and government stimulus. For the full year 2021, GM Financial expects used vehicle prices to be higher than 2020 levels, primarily due to sustained low new vehicle inventory and an economic recovery driving continued strong demand for new and used vehicles. The increase in used vehicle prices resulted in gains on terminations of leased vehicles of \$0.8 billion and \$1.2 billion in GM Financial interest, operating and other expenses for the three and six months ended June 30, 2021, compared to gains of \$0.1 billion and \$0.2 billion in the corresponding periods in 2020. The following table summarizes the estimated residual value based on GM Financial's most recent estimates and the number of units included in GM Financial Equipment on operating leases, net by vehicle type (units in thousands):

	June 30, 2021			December 31, 2020		
	Residual Value	Units	Percentage	Residual Value	Units	Percentage
Crossovers	\$ 16,835	960	66.6 %	\$ 16,334	964	65.5 %
Trucks	7,918	275	19.1 %	7,455	275	18.7 %
SUVs	3,386	88	6.1 %	3,435	92	6.3 %
Cars	1,737	119	8.2 %	1,949	140	9.5 %
<b>Total</b>	<b>\$ 29,876</b>	<b>1,442</b>	<b>100.0 %</b>	<b>\$ 29,173</b>	<b>1,471</b>	<b>100.0 %</b>

GM Financial's penetration of our retail sales in the U.S. was 43% in the six months ended June 30, 2021 and 49% in the corresponding period in 2020. Penetration levels vary depending on incentive financing programs available and competing third-party financing products in the market. GM Financial's prime loan originations as a percentage of total loan originations in North America decreased to 71% in the six months ended June 30, 2021 from 74% in the six months ended June 30, 2020. In the six months ended June 30, 2021, GM Financial's revenue consisted of leased vehicle income of 68%, retail finance charge income of 28% and commercial finance charge income of 2%.

**Consolidated Results** We review changes in our results of operations under five categories: volume, mix, price, cost and other. Volume measures the impact of changes in wholesale vehicle volumes driven by industry volume, market share and changes in dealer stock levels. Mix measures the impact of changes to the regional portfolio due to product, model, trim, country and option penetration in current year wholesale vehicle volumes. Price measures the impact of changes related to Manufacturer's Suggested Retail Price and various sales allowances. Cost primarily includes: (1) material and freight; (2) manufacturing, engineering, advertising, administrative and selling and warranty expense; and (3) non-vehicle related activity. Other primarily includes foreign exchange and non-vehicle related automotive revenues as well as equity income or loss from our nonconsolidated affiliates. Refer to the regional sections of this MD&A for additional information.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**Total Net Sales and Revenue**

	Three Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2021	June 30, 2020			Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	\$ 27,932	\$ 11,604	\$ 16,328	n.m.	\$ 8.6	\$ 4.6	\$ 2.0	\$ 1.1
GMI	2,792	1,677	1,115	66.5 %	\$ 0.4	\$ 0.3	\$ 0.2	\$ 0.2
Corporate	21	80	(59)	(73.8)%				\$ (0.1)
Automotive	30,745	13,361	17,384	n.m.	\$ 9.0	\$ 4.9	\$ 2.1	\$ 1.3
Cruise	25	28	(3)	(10.7)%				\$ —
GM Financial	3,426	3,423	3	0.1 %				\$ —
Eliminations/reclassifications	(29)	(34)	5	14.7 %		\$ —		\$ —
Total net sales and revenue	\$ 34,167	\$ 16,778	\$ 17,389	n.m.	\$ 9.0	\$ 4.9	\$ 2.1	\$ 1.3

n.m. = not meaningful

	Six Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2021	June 30, 2020			Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	\$ 53,889	\$ 37,435	\$ 16,454	44.0 %	\$ 5.3	\$ 6.2	\$ 3.7	\$ 1.3
GMI	5,878	4,957	921	18.6 %	\$ (0.1)	\$ 0.5	\$ 0.5	\$ —
Corporate	40	118	(78)	(66.1)%				\$ (0.1)
Automotive	59,807	42,510	17,297	40.7 %	\$ 5.2	\$ 6.7	\$ 4.2	\$ 1.2
Cruise	55	53	2	3.8 %				\$ —
GM Financial	6,833	6,984	(151)	(2.2)%				\$ (0.2)
Eliminations/reclassifications	(54)	(60)	6	10.0 %				\$ —
Total net sales and revenue	\$ 66,641	\$ 49,487	\$ 17,154	34.7 %	\$ 5.2	\$ 6.7	\$ 4.2	\$ 1.0

Refer to the regional sections of this MD&A for additional information on volume, mix and price.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**Automotive and Other Cost of Sales**

	Three Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2021	June 30, 2020			Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	\$ 24,061	\$ 11,165	\$ (12,896)	n.m.	\$ (6.5)	\$ (2.0)	\$ (4.3)	\$ (0.1)
GMI	2,850	2,015	(835)	(41.4)%	\$ (0.4)	\$ (0.1)	\$ (0.3)	\$ (0.1)
Corporate	42	76	34	44.7 %			\$ —	\$ —
Cruise	313	188	(125)	(66.5)%			\$ (0.1)	
Eliminations	—	—	—	— %		\$ —	\$ —	
Total automotive and other cost of sales	\$ 27,266	\$ 13,444	\$ (13,822)	n.m.	\$ (6.8)	\$ (2.1)	\$ (4.6)	\$ (0.2)

n.m. = not meaningful

	Six Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2021	June 30, 2020			Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	\$ 46,023	\$ 33,718	\$ (12,305)	(36.5)%	\$ (4.0)	\$ (2.6)	\$ (5.5)	\$ (0.2)
GMI	5,747	5,898	151	2.6 %	\$ —	\$ (0.1)	\$ 0.1	\$ 0.2
Corporate	71	183	112	61.2 %			\$ 0.1	\$ 0.1
Cruise	540	371	(169)	(45.6)%			\$ (0.2)	
Eliminations	—	—	—	— %				
Total automotive and other cost of sales	\$ 52,381	\$ 40,170	\$ (12,211)	(30.4)%	\$ (3.9)	\$ (2.7)	\$ (5.6)	\$ —

In the three months ended June 30, 2021, increased Cost was primarily due to: (1) an increase in campaigns and other warranty-related costs of \$1.3 billion; (2) increased material and freight costs of \$1.1 billion; (3) increased engineering costs of \$0.9 billion primarily related to accelerating our electric vehicle portfolio and the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic; (4) increased costs of \$0.6 billion primarily related to parts and accessories sales; and (5) increased manufacturing costs of \$0.6 billion primarily related to the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic. In the three months ended June 30, 2021, unfavorable Other was primarily due to the foreign currency effect resulting from the strengthening of various currencies against the U.S. Dollar.

In the six months ended June 30, 2021, increased Cost was primarily due to: (1) increased material and freight costs of \$2.1 billion; (2) an increase in campaigns and other warranty-related costs of \$1.3 billion; (3) increased engineering costs of \$1.2 billion primarily related to accelerating our electric vehicle portfolio and the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic; (4) increased costs of \$0.6 billion primarily related to parts and accessories sales; (5) increased manufacturing costs of \$0.5 billion primarily related to the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic; partially offset by (6) charges of \$0.5 billion primarily related to dealer restructuring charges, property and intangible asset impairments and inventory provisions in Australia, New Zealand, and Thailand in 2020.

Refer to the regional sections of this MD&A for additional information on volume and mix.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

**Automotive and other selling, general and administrative expense**

	Three Months Ended				Six Months Ended			
	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%
Automotive and other selling, general and administrative expense	\$ 2,125	\$ 1,310	\$ (815)	(62.2)%	\$ 3,928	\$ 3,280	\$ (648)	(19.8)%

In the three months ended June 30, 2021, Automotive and other selling, general and administrative expense increased primarily due to increased advertising of \$0.5 billion and several insignificant items primarily related to the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic.

In the six months ended June 30, 2021, Automotive and other selling, general and administrative expense increased primarily due to increased advertising of \$0.4 billion and several insignificant items primarily related to the suspension of production and austerity measures in 2020 due to the COVID-19 pandemic.

**Interest Income and Other Non-operating Income, net**

	Three Months Ended				Six Months Ended			
	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%
Interest income and other non-operating income, net	\$ 784	\$ 413	\$ 371	89.8 %	\$ 1,583	\$ 724	\$ 859	n.m.

n.m. = not meaningful

In the three months ended June 30, 2021, Interest Income and other non-operating income, net increased due to several insignificant items.

In the six months ended June 30, 2021, Interest Income and other non-operating income, net increased primarily due to: (1) gains of \$0.4 billion in the six months ended June 30, 2021 compared to losses of \$0.3 billion in the six months ended June 30, 2020 related to Stellantis warrants; and (2) \$0.3 billion increase in non-service pension income.

**Income Tax Expense**

	Three Months Ended				Six Months Ended			
	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%	June 30, 2021	June 30, 2020	Favorable/ (Unfavorable)	%
Income tax expense (benefit)	\$ 971	\$ (112)	\$ (1,083)	n.m.	\$ 2,148	\$ 245	\$ (1,903)	n.m.

n.m. = not meaningful

In the three and six months ended June 30, 2021, Income tax expense increased primarily due to an increase in pre-tax income.

For the three and six months ended June 30, 2021, our ETR-adjusted was 25.2% and 22.8%. We expect our adjusted effective tax rate to be approximately 24% for the year ending December 31, 2021.

Refer to Note 14 to our condensed consolidated financial statements for additional information related to Income tax expense.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
**GM North America**

	Three Months Ended				Variance Due To				
	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 27,932	\$ 11,604	\$ 16,328	n.m.	\$ 8.6	\$ 4.6	\$ 2.0		\$ 1.1
EBIT (loss)-adjusted	\$ 2,894	\$ (101)	\$ 2,995	n.m.	\$ 2.2	\$ 2.6	\$ 2.0	\$ (3.9)	\$ 0.2
EBIT (loss)-adjusted margin	10.4 %	(0.9)%	11.3 %						
	(Vehicles in thousands)								
Wholesale vehicle sales	642	331	311	94.0 %					

n.m. = not meaningful

	Six Months Ended				Variance Due To				
	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 53,889	\$ 37,435	\$ 16,454	44.0 %	\$ 5.3	\$ 6.2	\$ 3.7		\$ 1.3
EBIT-adjusted	\$ 6,028	\$ 2,093	\$ 3,935	n.m.	\$ 1.3	\$ 3.6	\$ 3.7	\$ (5.0)	\$ 0.4
EBIT-adjusted margin	11.2 %	5.6 %	5.6 %						
	(Vehicles in thousands)								
Wholesale vehicle sales	1,306	1,106	200	18.1 %					

n.m. = not meaningful

**GMNA Total Net Sales and Revenue** In the three months ended June 30, 2021, Total net sales and revenue increased primarily due to: (1) increased net wholesale volumes due to an increase in sales of full-size pickup trucks, crossover vehicles and full-size SUVs, as a result of suspending production in 2020 due to the COVID-19 pandemic, partially offset by a decrease in sales of passenger cars; (2) favorable mix associated with increased sales of full-size pickup trucks and full-size SUVs, decreased sales of passenger cars as a result of prioritizing semiconductor chips for our most popular and in demand vehicles, and improved mix associated with crossover vehicles; (3) favorable price primarily due to lower incentives as a result of low dealer inventory levels; and (4) favorable Other due to increased sales of parts and accessories and the foreign currency effect resulting from the strengthening of the Canadian Dollar against the U.S. Dollar.

In the six months ended June 30, 2021, Total net sales and revenue increased primarily due to (1) favorable mix associated with increased sales of full-size pickup trucks and full-size SUVs, decreased sales of passenger cars as a result of prioritizing semiconductor chips for our most popular and in-demand vehicles, and improved mix of crossover vehicles; (2) increased net wholesale volumes due to an increase in sales of full-size pickup trucks, full-size SUVs and crossover vehicles as a result of suspending production in 2020 due to the COVID-19 pandemic, partially offset by a decrease in sales of passenger cars; (3) favorable price primarily due to lower incentives as a result of low dealer inventory levels and the launch of our new full-size SUVs; (4) favorable Other due to increased sales of parts and accessories and the foreign currency effect resulting from the strengthening of the Canadian Dollar against the U.S. Dollar.

**GMNA EBIT-Adjusted** In the three months ended June 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable mix; (2) increased net wholesale volumes; (3) favorable price; and (4) favorable Other due to the foreign currency effect resulting from the strengthening of the Canadian Dollar against the U.S. Dollar; partially offset by (5) unfavorable Cost due to increased campaigns and other warranty-related cost of \$1.1 billion, increased material and freight cost of \$1.0 billion, increased engineering cost of \$0.7 billion including accelerating our electric vehicle portfolio, and increased manufacturing and advertising costs primarily related to the suspension of production and austerity measures in response to the COVID-19 pandemic in 2020.

In the six months ended June 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable price; (2) favorable mix; (3) increased net wholesale volumes; and (4) favorable Other due to the foreign currency effect resulting from the strengthening of



**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

the Canadian Dollar against the U.S. Dollar; partially offset by (5) unfavorable Cost due to increased material and freight cost of \$2.0 billion, increased campaigns and other warranty-related cost of \$1.2 billion, increased engineering cost of \$0.9 billion including accelerating our electric vehicle portfolio, and increased manufacturing and advertising costs primarily related to the suspension of production and austerity measures in response to the COVID-19 pandemic in 2020.

**GM International**

	Three Months Ended				Variance Due To				
	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 2,792	\$ 1,677	\$ 1,115	66.5 %	\$ 0.4	\$ 0.3	\$ 0.2		\$ 0.2
EBIT (loss)-adjusted	\$ 15	\$ (270)	\$ 285	n.m.	\$ —	\$ 0.2	\$ 0.2	\$ (0.2)	\$ 0.1
EBIT (loss)-adjusted margin	0.5 %	(16.1)%	16.6 %						
<i>Equity income — Automotive China</i>	\$ 276	\$ 169	\$ 107	63.3 %					
<i>EBIT (loss)-adjusted — excluding Equity income</i>	\$ (261)	\$ (439)	\$ 178	40.5 %					
	(Vehicles in thousands)								
Wholesale vehicle sales	118	90	28	31.1 %					

n.m. = not meaningful

	Six Months Ended				Variance Due To				
	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
	(Dollars in billions)								
Total net sales and revenue	\$ 5,878	\$ 4,957	\$ 921	18.6 %	\$ (0.1)	\$ 0.5	\$ 0.5		\$ —
EBIT (loss)-adjusted	\$ 323	\$ (821)	\$ 1,144	n.m.	\$ —	\$ 0.4	\$ 0.4	\$ (0.3)	\$ 0.6
EBIT (loss)-adjusted margin	5.5 %	(16.6)%	22.1 %						
<i>Equity income — Automotive China</i>	\$ 584	\$ 2	\$ 582	n.m.					
<i>EBIT (loss)-adjusted — excluding Equity income</i>	\$ (261)	\$ (823)	\$ 562	68.3 %					
	(Vehicles in thousands)								
Wholesale vehicle sales	275	281	(6)	(2.1)%					

n.m. = not meaningful

The vehicle sales of our Automotive China JVs are not recorded in Total net sales and revenue. The results of our joint ventures are recorded in Equity income, which is included in EBIT (loss)-adjusted above.

**GMI Total Net Sales and Revenue** In the three months ended June 30, 2021, Total net sales and revenue increased primarily due to: (1) increased wholesale volumes primarily in South America and the Middle East, partially offset by lower volumes in Asia/Pacific inclusive of the wind-down of our vehicle sales operations in Australia, New Zealand and Thailand; (2) favorable mix in the Middle East and South America; (3) favorable pricing across multiple vehicle lines in Brazil and Argentina; and (4) favorable Other primarily due to increased components, parts and accessories sales and the foreign currency effect resulting from the strengthening of the Korean Won against the U.S. Dollar.

In the six months ended June 30, 2021, Total net sales and revenue increased primarily due to: (1) favorable mix in South America and the Middle East; (2) favorable pricing in Brazil, Argentina and the Middle East; partially offset by (3) decreased wholesale volumes primarily due to the semiconductor supply shortage and the wind-down of our vehicle sales operations in Australia, New Zealand and Thailand.

**GMI EBIT (Loss)-Adjusted** In the three months ended June 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable mix; (2) favorable price; and (3) favorable Other primarily due to increased equity income; partially offset by (4) unfavorable Cost primarily due to increased material and warranty recall campaign costs.

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In the six months ended June 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable mix in South America, Australia and the Middle East; (2) favorable price; and (3) favorable Other primarily due to increased equity income; partially offset by (4) unfavorable Cost primarily due to increased material and warranty recall campaign costs, partially offset by favorable fixed costs.

We view the Chinese market as important to our global growth strategy and are employing a multi-brand strategy. In the coming years we plan to leverage our global architectures to increase the number of product offerings under the Buick, Chevrolet and Cadillac brands in China and continue to grow our business under the local Baojun and Wuling brands. We operate in the Chinese market through a number of joint ventures and maintaining strong relationships with our joint venture partners is an important part of our China growth strategy.

The following table summarizes certain key operational and financial data for the Automotive China JVs (vehicles in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Wholesale vehicle sales, including vehicles exported to markets outside of China	620	733	1,295	1,075
Total net sales and revenue	\$ 8,954	\$ 9,239	\$ 18,830	\$ 13,560
Net income	\$ 527	\$ 562	\$ 1,113	\$ 214

**Cruise**

	Three Months Ended				Six Months Ended			
	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%	June 30, 2021	June 30, 2020	Favorable / (Unfavorable)	%
Total net sales and revenue(a)	\$ 25	\$ 28	\$ (3)	(10.7)%	\$ 55	\$ 53	\$ 2	3.8 %
EBIT (loss)-adjusted	\$ (332)	\$ (195)	\$ (137)	(70.3)%	\$ (561)	\$ (423)	\$ (138)	(32.6)%

(a) Primarily reclassified to Interest income and other non-operating income, net in our condensed consolidated income statements in the three and six months ended June 30, 2021 and 2020.

**GM Financial**

	Three Months Ended				Six Months Ended			
	June 30, 2021	June 30, 2020	Increase/ (Decrease)	%	June 30, 2021	June 30, 2020	Increase/ (Decrease)	%
Total revenue	\$ 3,426	\$ 3,423	\$ 3	0.1 %	\$ 6,833	\$ 6,984	\$ (151)	(2.2)%
Provision for loan losses	\$ 59	\$ 327	\$ (268)	(82.0)%	\$ 33	\$ 793	\$ (760)	(95.8)%
EBT-adjusted	\$ 1,581	\$ 226	\$ 1,355	n.m.	\$ 2,763	\$ 456	\$ 2,307	n.m.
Average debt outstanding (dollars in billions)	\$ 94.7	\$ 95.9	\$ (1.2)	(1.3)%	\$ 94.3	\$ 92.4	\$ 1.9	2.1 %
Effective rate of interest paid	2.7 %	3.3 %	(0.6)%		2.7 %	3.5 %	(0.8)%	

n.m. = not meaningful

**GM Financial Revenue** In the three months ended June 30, 2021, total revenue increased by an insignificant amount.

In the six months ended June 30, 2021, total revenue decreased primarily due to decreased leased vehicle income of \$0.2 billion primarily due to a decline in the average balance of the leased vehicles portfolio.

**GM Financial EBT-Adjusted** In the three months ended June 30, 2021, EBT-adjusted increased primarily due to: (1) increased leased vehicle income net of leased vehicle expenses of \$0.9 billion primarily due to increased lease termination gains, due to the increase in used vehicle prices for the three months ended June 30, 2021 compared to the same period in 2020,

as well as a decrease in depreciation on leased vehicles resulting from increased residual value estimates; (2) decreased provision for loan losses of \$0.3 billion primarily due to a reduction in the reserve levels established during the three months ended June 30, 2020, following the onset of the COVID-19 pandemic, as a result of actual credit performance that was better than forecast and favorable expectations for future charge-offs and recoveries, reflecting improved forecast economic conditions; and (3) decreased interest expense of \$0.2 billion due to decreased credit spreads on GM Financial debt.

In the six months ended June 30, 2021, EBT-adjusted increased primarily due to (1) increased leased vehicle income net of leased vehicle expenses of \$1.2 billion primarily due to increased lease termination gains, due to the increase in used vehicle prices for the six months ended June 30, 2021 compared to the same period in 2020, as well as a decrease in depreciation on leased vehicles resulting from increased residual value estimates and a decrease in the size of the portfolio; (2) decreased provision for loan losses of \$0.8 billion primarily due to a reduction in the reserve levels established during the six months ended June 30, 2020, following the onset of the COVID-19 pandemic, as a result of actual credit performance that was better than forecast and favorable expectations for future charge-offs and recoveries, reflecting improved forecast economic conditions; and (3) decreased interest expense of \$0.3 billion due to decreased credit spreads on GM Financial debt.

**Liquidity and Capital Resources** We believe our current levels of cash, cash equivalents, marketable debt securities, available borrowing capacity under our revolving credit facilities and other liquidity actions currently available to us are sufficient to meet our liquidity requirements. We also maintain access to the capital markets and may issue debt or equity securities, which may provide an additional source of liquidity. We have substantial cash requirements going forward, which we plan to fund through our total available liquidity, cash flows from operating activities and additional liquidity measures, if determined to be necessary.

Our known current material uses of cash include, among other possible demands: (1) capital expenditures of approximately \$9.0 billion to \$10.0 billion in 2021 in addition to payments for engineering and product development activities; (2) payments associated with previously announced vehicle recalls and any other recall-related contingencies; and (3) payments to service debt and other long-term obligations, including discretionary and mandatory contributions to our pension plans. Our material future uses of cash, which may vary from time to time based on market conditions and other factors, are focused on the three objectives of our capital allocation program: (1) grow our business at an average target ROIC-adjusted rate of 20% or greater; (2) maintain a strong investment-grade balance sheet, including a target average automotive cash balance of \$18 billion; and (3) after the first two objectives are met, return available cash to shareholders. Our senior management evaluates our capital allocation program on an ongoing basis and recommends any modifications to the program to our Board of Directors, not less than once annually.

Our liquidity plans are subject to a number of risks and uncertainties, including those described in the "Forward-Looking Statements" section of this MD&A and Part I, Item 1A. Risk Factors of our 2020 Form 10-K, some of which are outside of our control.

We continue to monitor and evaluate opportunities to strengthen our competitive position over the long term while maintaining a strong investment-grade balance sheet. These actions may include opportunistic payments to reduce our long-term obligations as well as the possibility of acquisitions, dispositions and investments with joint venture partners as well as strategic alliances that we believe would generate significant advantages and substantially strengthen our business.

Cash flows occur amongst our Automotive, Cruise and GM Financial operations that are eliminated when we consolidate our cash flows. Such eliminations include, among other things, collections by Automotive on wholesale accounts receivables financed by dealers through GM Financial, payments between Automotive and GM Financial for accounts receivables transferred by Automotive to GM Financial, loans to Automotive from GM Financial, dividends issued by GM Financial to Automotive, tax payments by GM Financial to Automotive and Automotive cash injections in Cruise. The presentation of Automotive liquidity, Cruise liquidity and GM Financial liquidity presented below includes the impact of cash transactions amongst the sectors that are ultimately eliminated in consolidation.

**Automotive Liquidity** Total available liquidity includes cash, cash equivalents, marketable debt securities and funds available under credit facilities. The amount of available liquidity is subject to seasonal fluctuations and includes balances held by various business units and subsidiaries worldwide that are needed to fund their operations. We have not significantly changed the management of our liquidity, including our allocation of available liquidity, our portfolio composition and our investment guidelines since December 31, 2020. Refer to Part II, Item 7. MD&A of our 2020 Form 10-K.

We use credit facilities as a mechanism to provide additional flexibility in managing our global liquidity. Our Automotive borrowing capacity under credit facilities totaled \$17.5 billion at June 30, 2021 and \$18.5 billion at December 31, 2020. Total Automotive borrowing capacity under our credit facilities does not include our 364-day, \$2.0 billion facility allocated for

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

exclusive use by GM Financial. We did not have any borrowings against our primary facilities, but had letters of credit outstanding under our sub-facility of \$0.3 billion at June 30, 2021 and December 31, 2020.

In April 2021, we increased the total borrowing capacity of our five-year, \$10.5 billion facility to \$11.2 billion and extended the termination date for a \$9.9 billion portion of the five-year facility by three years, now set to mature on April 18, 2026. The termination date of April 18, 2023 for the remaining portion of the five-year facility remains unchanged. We also renewed and increased the total borrowing capacity of our three-year, \$4.0 billion facility to \$4.3 billion, which now matures on April 7, 2024, and renewed our 364-day, \$2.0 billion facility allocated for exclusive use by GM Financial, which now matures on April 6, 2022. We also terminated our 364-day, \$2.0 billion revolving credit facility, entered into in May 2020. Additionally, the prior restrictions on share repurchases and dividends on our common shares were removed upon entrance into the renewed three-year, \$4.3 billion facility.

If available capacity permits, GM Financial continues to have access to our automotive credit facilities, except for the three-year, \$2.0 billion transformation facility. GM Financial did not have borrowings outstanding against any of these facilities at June 30, 2021 and December 31, 2020. We had intercompany loans from GM Financial of \$0.3 billion and \$0.4 billion at June 30, 2021 and December 31, 2020, which primarily consisted of commercial loans to dealers we consolidate. We did not have intercompany loans to GM Financial at June 30, 2021 and December 31, 2020. Refer to Note 4 to our condensed consolidated financial statements for additional information.

GM Financial's Board of Directors declared and paid dividends of \$0.6 billion and \$1.2 billion on its common stock in the three and six months ended June 30, 2021 and \$0.4 billion and \$0.8 billion in the three and six months ended June 30, 2020. Current dividend levels are reflective of record GM Financial earnings supported by strong residual values, favorable credit performance and improved economic conditions. Future dividends from GM Financial will depend on several factors including business and economic conditions, its financial condition, earnings, liquidity requirements and leverage ratio.

Several of our loan facilities, including our revolving credit facilities, require compliance with certain financial and operational covenants as well as regular reporting to lenders. We have reviewed our covenants in effect as of June 30, 2021 and determined we are in compliance and expect to remain in compliance in the future.

The following table summarizes our available liquidity (dollars in billions):

	June 30, 2021	December 31, 2020
Automotive cash and cash equivalents	\$ 16.8	\$ 14.2
Marketable debt securities	4.1	8.1
Automotive cash, cash equivalents and marketable debt securities	20.9	22.3
Cruise cash and cash equivalents(a)	1.8	0.8
Cruise marketable debt securities(a)	2.1	0.9
Available liquidity	24.8	24.0
Available under credit facilities	17.2	18.2
Total available liquidity	\$ 42.0	\$ 42.2

(a) Amounts are designated exclusively for the use of Cruise.

The following table summarizes the changes in our Automotive available liquidity (excluding Cruise, dollars in billions):

	Six Months Ended June 30, 2021
Operating cash flow	\$ 2.9
Capital expenditures	(2.4)
GM investment in Cruise	(1.0)
Decrease in available credit facilities	(1.0)
Other non-operating	(0.9)
Total change in automotive available liquidity	\$ (2.4)

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**
*Automotive Cash Flow (dollars in billions)*

	Six Months Ended		
	June 30, 2021	June 30, 2020	Change
<b>Operating Activities</b>			
Net income (loss)	\$ 4.7	\$ (0.5)	\$ 5.2
Depreciation, amortization and impairment charges	2.8	2.8	—
Pension and OPEB activities	(1.2)	(0.8)	(0.4)
Working capital	(3.2)	(5.8)	2.6
Accrued and other liabilities and income taxes	(1.2)	(4.9)	3.7
Other	1.0	1.5	(0.5)
Net automotive cash provided by (used in) operating activities	<u>\$ 2.9</u>	<u>\$ (7.7)</u>	<u>\$ 10.6</u>

In the six months ended June 30, 2021, the increase in Net automotive cash provided by (used in) operating activities was primarily due to: (1) favorable pre-tax earnings of \$6.1 billion; (2) favorable working capital primarily due to favorable accounts payable of \$4.5 billion, partially offset by unfavorable inventory of \$2.4 billion; (3) lower sales incentive payments of \$0.7 billion; (4) higher dividends received from GM Financial of \$0.4 billion; and (5) several other insignificant items.

	Six Months Ended		
	June 30, 2021	June 30, 2020	Change
<b>Investing Activities</b>			
Capital expenditures	\$ (2.4)	\$ (2.3)	\$ (0.1)
Acquisitions and liquidations of marketable securities, net(a)	4.0	(3.3)	7.3
GM investment in Cruise	(1.0)	—	(1.0)
Other	(0.3)	—	(0.3)
Net automotive cash provided by (used in) investing activities	<u>\$ 0.3</u>	<u>\$ (5.6)</u>	<u>\$ 5.9</u>

(a) Amount includes \$0.6 billion of proceeds from the sale of our remaining shares in Lyft in the six months ended June 30, 2020.

In the six months ended June 30, 2021, cash provided by acquisitions and liquidations of marketable securities, net increased due to liquidations of securities to fund operating activities and investments, compared to net acquisitions of securities from revolver proceeds during the six months ended June 30, 2020.

	Six Months Ended		
	June 30, 2021	June 30, 2020	Change
<b>Financing Activities</b>			
Borrowings against credit facilities	\$ —	\$ 15.9	\$ (15.9)
Net proceeds (payments) from short-term debt(a)	(0.5)	1.6	(2.1)
Issuance of senior unsecured notes	—	4.0	(4.0)
Dividends paid and payments to purchase common stock	—	(0.6)	0.6
Other	0.1	(0.3)	0.4
Net automotive cash (used in) provided by financing activities	<u>\$ (0.4)</u>	<u>\$ 20.6</u>	<u>\$ (21.0)</u>

(a) Amount includes \$0.9 billion intercompany loans from GM Financial for subvention owed in the six months ended June 30, 2020.

*Adjusted Automotive Free Cash Flow* We measure adjusted automotive free cash flow as automotive operating cash flow from operations less capital expenditures adjusted for management actions. In the six months ended June 30, 2021, net automotive cash provided by operating activities under U.S. GAAP was \$2.9 billion, capital expenditures were \$2.4 billion, and adjustments for management actions were insignificant.

In the six months ended June 30, 2020, net automotive cash used in operating activities under U.S. GAAP was \$7.7 billion, capital expenditures were \$2.3 billion, and adjustments for management actions were insignificant.

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

**Status of Credit Ratings** We receive ratings from four independent credit rating agencies: DBRS Limited (DBRS), Fitch Ratings, Moody's Investor Service and Standard & Poor's. All four credit rating agencies currently rate our corporate credit at investment grade. In March 2021, Moody's Investor Services affirmed our investment-grade credit ratings and raised our ratings outlook to stable. In June 2021, DBRS affirmed our investment-grade credit rating and raised our ratings outlook to positive. As of July 19, 2021, all other credit ratings remained unchanged since December 31, 2020.

**Cruise Liquidity** In the six months ended June 30, 2021, Cruise Holdings issued Cruise Class G Preferred Shares in exchange for \$2.7 billion from Microsoft, Walmart and other investors, including \$1.0 billion from General Motors Holdings LLC. Refer to Note 16 to our condensed consolidated financial statements for additional information. When Cruise's autonomous vehicles are ready for commercial deployment, Softbank Vision Fund (AIV M2), L.P. is obligated to purchase additional Cruise convertible preferred shares for \$1.35 billion.

The following table summarizes the changes in our Cruise available liquidity (dollars in billions):

	Six Months Ended June 30, 2021
Operating cash flow	\$ (0.5)
Issuance of Cruise Preferred Shares	1.7
GM investment in Cruise	1.0
Total change in Cruise available liquidity(a)	<u>\$ 2.2</u>

(a) Excludes a multi-year credit agreement between Cruise and GM Financial whereby Cruise can request to borrow, over time, up to an aggregate of \$5.2 billion, through 2024, to fund exclusively the purchase of autonomous vehicles from GM.

*Cruise Cash Flow (dollars in billions)*

	Six Months Ended		Change
	June 30, 2021	June 30, 2020	
Net cash used in operating activities	\$ (0.5)	\$ (0.4)	\$ (0.1)
Net cash used in investing activities	\$ (1.2)	\$ (0.7)	\$ (0.5)
Net cash provided by financing activities	\$ 2.7	\$ —	\$ 2.7

In the six months ended June 30, 2021, cash used in investing activities increased due to higher net acquisitions of marketable securities resulting from the issuance of Cruise Preferred Shares.

**Automotive Financing – GM Financial Liquidity** GM Financial's primary sources of cash are finance charge income, leasing income and proceeds from the sale of terminated leased vehicles, net distributions from credit facilities, securitizations, secured and unsecured borrowings and collections and recoveries on finance receivables. GM Financial's primary uses of cash are purchases and funding of finance receivables and leased vehicles, repayment or repurchases of secured and unsecured debt, funding credit enhancement requirements in connection with securitizations and secured credit facilities, interest costs, operating expenses, income taxes and dividend payments. GM Financial continues to monitor and evaluate opportunities to optimize its liquidity position and the mix of its debt between secured and unsecured debt. The following table summarizes GM Financial's available liquidity (dollars in billions):

	June 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 4.4	\$ 5.1
Borrowing capacity on unpledged eligible assets	21.1	19.0
Borrowing capacity on committed unsecured lines of credit	0.5	0.5
Borrowing capacity on revolving credit facility, exclusive to GM Financial	2.0	2.0
Total GM Financial available liquidity	<u>\$ 28.0</u>	<u>\$ 26.6</u>

At June 30, 2021, GM Financial's available liquidity increased from December 31, 2020 due to increased available borrowing capacity on unpledged eligible assets, resulting from the issuance of securitization transactions and unsecured debt, partially offset by a decrease in cash and cash equivalents. GM Financial structures liquidity to support at least six months of GM Financial's expected net cash flows, including new originations, without access to new debt financing transactions or other capital markets activity.

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

GM Financial did not have any borrowings outstanding against our credit facility designated for their exclusive use or the remainder of our revolving credit facilities at June 30, 2021 and December 31, 2020. Refer to the Automotive Liquidity section of this MD&A for additional details.

*Credit Facilities* In the normal course of business, in addition to using its available cash, GM Financial utilizes borrowings under its credit facilities, which may be secured or unsecured, and GM Financial repays these borrowings as appropriate under its cash management strategy. At June 30, 2021, secured, committed unsecured and uncommitted unsecured credit facilities totaled \$26.7 billion, \$0.5 billion and \$1.3 billion with advances outstanding of \$1.3 billion, an insignificant amount and \$1.3 billion.

*GM Financial Cash Flow (dollars in billions)*

	Six Months Ended		Change
	June 30, 2021	June 30, 2020	
Net cash provided by operating activities	\$ 3.6	\$ 4.1	\$ (0.5)
Net cash used in investing activities	\$ (3.4)	\$ (3.2)	\$ (0.2)
Net cash provided by financing activities	\$ 0.2	\$ 3.0	\$ (2.8)

In the six months ended June 30, 2021, Net cash provided by operating activities decreased primarily due to: (1) a decrease in derivative collateral posting activities of \$0.6 billion; and (2) a decrease in leased vehicle income of \$0.2 billion; partially offset by (3) a decrease in interest paid of \$0.3 billion.

In the six months ended June 30, 2021, Net cash used in investing activities increased primarily due to: (1) an increase in purchases of leased vehicles of \$6.3 billion; (2) an increase in purchases of finance receivables of \$1.5 billion; partially offset by (3) an increase in proceeds from terminated vehicles of \$5.3 billion; and (4) an increase in collections and recoveries on finance receivables of \$2.3 billion.

In the six months ended June 30, 2021, Net cash provided by financing activities decreased primarily due to: (1) a decrease in borrowings of \$5.1 billion; and (2) an increase in dividend payments of \$0.4 billion; partially offset by (3) a decrease in debt repayments of \$2.7 billion.

**Critical Accounting Estimates** The condensed consolidated financial statements are prepared in conformity with U.S. GAAP, which requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the periods presented. We believe the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in developing estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods. The critical accounting estimates that affect the condensed consolidated financial statements and the judgments and assumptions used are consistent with those described in the MD&A in our 2020 Form 10-K.

**Forward-Looking Statements** This report and the other reports filed by us with the SEC from time to time, as well as statements incorporated by reference herein and related comments by our management, may include "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgment about possible future events and are often identified by words like "aim," "anticipate," "appears," "approximately," "believe," "continue," "could," "designed," "effect," "estimate," "evaluate," "expect," "forecast," "goal," "initiative," "intend," "may," "objective," "outlook," "plan," "potential," "priorities," "project," "pursue," "seek," "should," "target," "when," "will," "would," or the negative of any of those words or similar expressions. In making these statements, we rely on assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of important factors, many of which are beyond our control. These factors, which may be revised or supplemented in subsequent reports we file with the SEC, include, among others, the following: (1) our ability to deliver new products, services and customer experiences in response to increased competition and changing consumer preferences in the automotive industry; (2) our ability to timely fund and introduce new and improved vehicle models, including electric vehicles, that are able to attract a sufficient number of consumers; (3) the success of our crossovers, SUVs and full-size pickup trucks; (4) our highly competitive industry, which is characterized by excess manufacturing capacity and the use of incentives, and the introduction of new and improved vehicle models by our competitors; (5) our ability to deliver a broad portfolio of electric vehicles and drive increased consumer

**GENERAL MOTORS COMPANY AND SUBSIDIARIES**

adoption; (6) the unique technological, operational, regulatory and competitive risks related to the timing and commercialization of autonomous vehicles; (7) the ongoing COVID-19 pandemic; (8) global automobile market sales volume, which can be volatile; (9) our significant business in China, which is subject to unique operational, competitive, regulatory and economic risks; (10) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (11) the international scale and footprint of our operations, which exposes us to a variety of unique political, economic, competitive and regulatory risks, including the risk of changes in government leadership and laws (including labor, tax and other laws), political instability and economic tensions between governments and changes in international trade policies, new barriers to entry and changes to or withdrawals from free trade agreements, public health crises, including the occurrence of a contagious disease or illness, such as the COVID-19 pandemic, changes in foreign exchange rates and interest rates, economic downturns in the countries in which we operate, differing local product preferences and product requirements, changes to and compliance with U.S. and foreign countries' export controls and economic sanctions, differing labor regulations, requirements and union relationships, differing dealer and franchise regulations and relationships, and difficulties in obtaining financing in foreign countries; (12) any significant disruption, including any work stoppages, at any of our manufacturing facilities; (13) the ability of our suppliers to deliver parts, systems and components without disruption and at such times to allow us to meet production schedules; (14) prices of raw materials used by us and our suppliers; (15) our ability to successfully and cost-effectively restructure our operations in the U.S. and various other countries and initiate additional cost reduction actions with minimal disruption; (16) the possibility that competitors may independently develop products and services similar to ours, or that our intellectual property rights are not sufficient to prevent competitors from developing or selling those products or services; (17) our ability to manage risks related to security breaches and other disruptions to our information technology systems and networked products, including connected vehicles and in-vehicle systems; (18) our ability to comply with increasingly complex, restrictive and punitive regulations relating to our enterprise data practices, including the collection, use, sharing and security of the Personal Identifiable Information of our customers, employees, or suppliers; (19) our ability to comply with extensive laws, regulations and policies applicable to our operations and products, including those relating to fuel economy and emissions and autonomous vehicles; (20) costs and risks associated with litigation and government investigations; (21) the costs and effect on our reputation of product safety recalls and alleged defects in products and services; (22) any additional tax expense or exposure; (23) our continued ability to develop captive financing capability through GM Financial; and (24) any significant increase in our pension funding requirements. A further list and description of these risks, uncertainties and other factors can be found in our 2020 Form 10-K and our subsequent filings with the SEC.

We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors, except where we are expressly required to do so by law.

\* \* \* \* \*

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There have been no significant changes in our exposure to market risk since December 31, 2020. For further discussion on market risk, refer to Part II, Item 7A. of our 2020 Form 10-K.

\* \* \* \* \*



**Item 4. Controls and Procedures**

**Disclosure Controls and Procedures** We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (Exchange Act), is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of June 30, 2021 as required by paragraph (b) of Rules 13a-15 or 15d-15. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2021.

**Changes in Internal Control over Financial Reporting** There have not been any changes in our internal control over financial reporting during the three months ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, due to the COVID-19 pandemic, we are monitoring our control environment with increased vigilance to ensure changes as a result of physical distancing are addressed and all increased risks are mitigated. For additional information refer to Part I, Item 1A. Risk Factors of our 2020 Form 10-K.

\* \* \* \* \*

**PART II**

**Item 1. Legal Proceedings**

The discussion under "Litigation-Related Liability and Tax Administrative Matters" in Note 13 to our condensed consolidated financial statements is incorporated by reference into this Part II, Item 1.

\* \* \* \* \*

**Item 1A. Risk Factors**

We face a number of significant risks and uncertainties in connection with our operations. Our business and the results of our operations and financial condition could be materially adversely affected by these risk factors. There have been no material changes to the Risk Factors disclosed in our 2020 Form 10-K.

\* \* \* \* \*

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

**Purchases of Equity Securities** The following table summarizes our purchases of common stock in the three months ended June 30, 2021:

	<u>Total Number of Shares Purchased(a) (b)</u>	<u>Weighted Average Price Paid per Share</u>	<u>Total Number of Shares Purchased Under Announced Programs(b)</u>	<u>Approximate Dollar Value of Shares That May Yet be Purchased Under Announced Programs</u>
April 1, 2021 through April 30, 2021	182,497	\$ 57.80	—	\$3.3 billion
May 1, 2021 through May 31, 2021	18,254	\$ 57.41	—	\$3.3 billion
June 1, 2021 through June 30, 2021	—	\$ —	—	\$3.3 billion
Total	<u>200,751</u>	<u>\$ 57.76</u>	<u>—</u>	

(a) Shares purchased consist of shares delivered by employees or directors to us for the payment of taxes resulting from the issuance of common stock upon the vesting of RSUs and PSUs relating to compensation plans. Refer to our 2020 Form 10-K for additional details on employee stock incentive plans.

(b) In January 2017, we announced that our Board of Directors had authorized the purchase of up to \$5.0 billion of our common stock with no expiration date.

\* \* \* \* \*

## GENERAL MOTORS COMPANY AND SUBSIDIARIES

## Item 6. Exhibits

Exhibit Number	Exhibit Name	
3.1	<a href="#">Restated Certificate of Incorporation of General Motors Company dated December 7, 2010, incorporated herein by reference to Exhibit 3.2 to the Current Report on Form 8-K of General Motors Company filed December 13, 2010</a>	Incorporated by Reference
3.2	<a href="#">General Motors Company Amended and Restated Bylaws, as amended August 14, 2018, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of General Motors Company filed on August 20, 2018</a>	Incorporated by Reference
10.1†	<a href="#">Fourth Amended and Restated 3-Year Revolving Credit Agreement among General Motors Company, General Motors Financial Company, Inc., General Motors do Brasil Ltda., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of General Motors Company filed April 7, 2021</a>	Incorporated by Reference
10.2†	<a href="#">Third Amended and Restated 364-Day Revolving Credit Agreement among General Motors Company, General Motors Financial Company, Inc., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of General Motors Company filed April 7, 2021</a>	Incorporated by Reference
10.3†	<a href="#">Amendment No. 1 to Third Amended and Restated 5-Year Revolving Credit Agreement, dated as of April 18, 2018, among General Motors Company, General Motors Financial Company, Inc., GM Global Treasury Centre, General Motors do Brasil Ltda., the subsidiary borrowers from time to time parties thereto, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of General Motors Company filed April 7, 2021</a>	Incorporated by Reference
31.1	<a href="#">Section 302 Certification of the Chief Executive Officer</a>	Filed Herewith
31.2	<a href="#">Section 302 Certification of the Chief Financial Officer</a>	Filed Herewith
32	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished with this Report
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) the Condensed Consolidated Income Statements, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Equity and (vi) Notes to the Condensed Consolidated Financial Statements	Filed Herewith
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted as Inline XBRL and contained in Exhibit 101	Filed Herewith

† Portions of this exhibit have been omitted pursuant to Rule 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

\* \* \* \* \*

GENERAL MOTORS COMPANY AND SUBSIDIARIES

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENERAL MOTORS COMPANY (Registrant)

By: /s/ CHRISTOPHER T. HATTO  
Christopher T. Hatto, Vice President, Global Business Solutions  
and Chief Accounting Officer

Date: August 4, 2021

## CERTIFICATION

I, Mary T. Barra, certify that:

1. I have reviewed this quarterly report on Form 10-Q of General Motors 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.

/s/ MARY T. BARRA

\_\_\_\_\_  
Mary T. Barra  
Chair and Chief Executive Officer

Date: August 4, 2021

## CERTIFICATION

I, Paul A. Jacobson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of General Motors 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.

/s/ PAUL A. JACOBSON

Paul A. Jacobson  
Executive Vice President and Chief Financial Officer

Date: August 4, 2021

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of General Motors Company (the "Company") on Form 10-Q for the period ended June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MARY T. BARRA

Mary T. Barra  
Chair and Chief Executive Officer

/s/ PAUL A. JACOBSON

Paul A. Jacobson  
Executive Vice President and Chief Financial Officer

Date: August 4, 2021