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, 2020

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	**27-0756180**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
300 Renaissance Center, Detroit, Michigan	**48265 -3000**
(Address of principal executive offices)	*(Zip Code)*

(313) 667-1500
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $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 15, 2020 there were 1,431,096,512 shares of common stock outstanding.

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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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net sales and revenue				
Automotive	$ 13,363	$ 32,425	$ 42,513	$ 63,686
GM Financial	3,415	3,635	6,974	7,252
Total net sales and revenue (Note 3)	16,778	36,060	49,487	70,938
Costs and expenses				
Automotive and other cost of sales	13,444	28,327	40,170	56,556
GM Financial interest, operating and other expenses	3,238	3,144	6,594	6,450
Automotive and other selling, general and administrative expense	1,310	2,102	3,280	4,201
Total costs and expenses	17,992	33,573	50,044	67,207
Operating income (loss)	(1,214)	2,487	(557)	3,731
Automotive interest expense	303	195	496	376
Interest income and other non-operating income, net	413	364	724	1,169
Equity income (Note 8)	212	271	80	685
Income (loss) before income taxes	(892)	2,927	(249)	5,209
Income tax expense (benefit) (Note 16)	(112)	524	245	661
Net income (loss)	(780)	2,403	(494)	4,548
Net loss attributable to noncontrolling interests	22	15	30	27
Net income (loss) attributable to stockholders	$ (758)	$ 2,418	$ (464)	$ 4,575
Net income (loss) attributable to common stockholders	$ (806)	$ 2,381	$ (559)	$ 4,500
Earnings (loss) per share (Note 19)				
Basic earnings (loss) per common share	$ (0.56)	$ 1.68	$ (0.39)	$ 3.17
Weighted-average common shares outstanding – basic	1,432	1,420	1,432	1,419
Diluted earnings (loss) per common share	$ (0.56)	$ 1.66	$ (0.39)	$ 3.13
Weighted-average common shares outstanding – diluted	1,432	1,438	1,432	1,437
Dividends declared per common share	$ —	$ 0.38	$ 0.38	$ 0.76

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

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net income (loss)	$ (780)	$ 2,403	$ (494)	$ 4,548
Other comprehensive income (loss), net of tax (Note 18)				
Foreign currency translation adjustments and other	(58)	68	(1,031)	217
Defined benefit plans	(39)	6	278	42
Other comprehensive income (loss), net of tax	(97)	74	(753)	259
Comprehensive income (loss)	(877)	2,477	(1,247)	4,807
Comprehensive loss attributable to noncontrolling interests	18	20	38	37
Comprehensive income (loss) attributable to stockholders	$ (859)	$ 2,497	$ (1,209)	$ 4,844

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)

	June 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 28,228	$ 19,069
Marketable debt securities (Note 4)	9,254	4,174
Accounts and notes receivable, net	7,946	6,797
GM Financial receivables, net (Note 5; Note 10 at VIEs)	22,851	26,601
Inventories (Note 6)	10,280	10,398
Other current assets (Note 4; Note 10 at VIEs)	8,938	7,953
Total current assets	87,497	74,992
Non-current Assets		
GM Financial receivables, net (Note 5; Note 10 at VIEs)	28,999	26,355
Equity in net assets of nonconsolidated affiliates (Note 8)	7,724	8,562
Property, net	37,066	38,750
Goodwill and intangible assets, net	5,282	5,337
Equipment on operating leases, net (Note 7; Note 10 at VIEs)	39,601	42,055
Deferred income taxes	24,654	24,640
Other assets (Note 4; Note 10 at VIEs)	6,712	7,346
Total non-current assets	150,038	153,045
Total Assets	$ 237,535	$ 228,037
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	$ 15,154	$ 21,018
Short-term debt and current portion of long-term debt (Note 11)		
Automotive	2,710	1,897
GM Financial (Note 10 at VIEs)	37,313	35,503
Accrued liabilities (Note 13)	22,727	26,487
Total current liabilities	77,904	84,905
Non-current Liabilities		
Long-term debt (Note 11)		
Automotive	32,211	12,489
GM Financial (Note 10 at VIEs)	54,939	53,435
Postretirement benefits other than pensions (Note 14)	5,836	5,935
Pensions (Note 14)	11,249	12,170
Other liabilities (Note 13)	11,903	13,146
Total non-current liabilities	116,138	97,175
Total Liabilities	194,042	182,080
Commitments and contingencies (Note 15)		
Equity (Note 18)		
Common stock, $0.01 par value	14	14
Additional paid-in capital	26,087	26,074
Retained earnings	25,104	26,860
Accumulated other comprehensive loss	(11,901)	(11,156)
Total stockholders' equity	39,304	41,792
Noncontrolling interests	4,189	4,165
Total Equity	43,493	45,957
Total Liabilities and Equity	$ 237,535	$ 228,037

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, 2020	June 30, 2019
Cash flows from operating activities		
Net income (loss)	$ (494)	$ 4,548
Depreciation and impairment of Equipment on operating leases, net	3,759	3,748
Depreciation, amortization and impairment charges on Property, net	2,814	3,775
Foreign currency remeasurement and transaction gains	(63)	(178)
Undistributed earnings of nonconsolidated affiliates, net	446	256
Pension contributions and OPEB payments	(327)	(570)
Pension and OPEB income, net	(518)	(306)
Provision (benefit) for deferred taxes	(24)	79
Change in other operating assets and liabilities	(6,847)	(6,357)
Net cash provided by (used in) operating activities	(1,254)	4,995
Cash flows from investing activities		
Expenditures for property	(2,336)	(3,476)
Available-for-sale marketable securities, acquisitions	(7,656)	(2,213)
Available-for-sale marketable securities, liquidations	3,694	1,244
Purchases of finance receivables, net	(14,929)	(13,757)
Principal collections and recoveries on finance receivables	9,563	11,708
Purchases of leased vehicles, net	(6,054)	(8,189)
Proceeds from termination of leased vehicles	5,537	6,444
Other investing activities	(155)	99
Net cash used in investing activities	(12,336)	(8,140)
Cash flows from financing activities		
Net increase in short-term debt	846	936
Proceeds from issuance of debt (original maturities greater than three months)	53,465	20,511
Payments on debt (original maturities greater than three months)	(29,512)	(20,625)
Proceeds from issuance of subsidiary preferred stock	—	414
Dividends paid	(592)	(1,184)
Other financing activities	(491)	(264)
Net cash provided by (used in) financing activities	23,716	(212)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(429)	42
Net increase (decrease) in cash, cash equivalents and restricted cash	9,697	(3,315)
Cash, cash equivalents and restricted cash at beginning of period	22,943	23,496
Cash, cash equivalents and restricted cash at end of period	$ 32,640	$ 20,181
Significant Non-cash Investing and Financing Activity		
Non-cash property additions	$ 1,773	$ 3,026

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
Balance at January 1, 2019	$ 14	$ 25,563	$ 22,322	$ (9,039)	$ 3,917	$ 42,777
Net income	—	—	2,157	—	(12)	2,145
Other comprehensive income	—	—	—	190	(5)	185
Stock based compensation	—	95	(6)	—	—	89
Cash dividends paid on common stock	—	—	(539)	—	—	(539)
Dividends to noncontrolling interests	—	—	—	—	(18)	(18)
Other	—	3	5	—	(9)	(1)
Balance at March 31, 2019	14	25,661	23,939	(8,849)	3,873	44,638
Net income	—	—	2,418	—	(15)	2,403
Other comprehensive income	—	—	—	79	(5)	74
Issuance of subsidiary preferred stock (Note 18)	—	—	—	—	408	408
Stock based compensation	—	78	(9)	—	—	69
Cash dividends paid on common stock	—	—	(540)	—	—	(540)
Dividends to noncontrolling interests	—	—	—	—	(23)	(23)
Other	—	26	(1)	—	35	60
Balance at June 30, 2019	$ 14	$ 25,765	$ 25,807	$ (8,770)	$ 4,273	$ 47,089
Balance at January 1, 2020	$ 14	$ 26,074	$ 26,860	$ (11,156)	$ 4,165	$ 45,957
Adoption of accounting standards (Note 1)	—	—	(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
Balance at March 31, 2020	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)
Balance at June 30, 2020	$ 14	$ 26,087	$ 25,104	$ (11,901)	$ 4,189	$ 43,493

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 operating segments: GM North America (GMNA), GM International Operations (GMIO), GM South America (GMSA), Cruise, and GM Financial. Our GMSA and GMIO operating segments are reported as one, combined international segment, GM International (GMI). Cruise, formerly GM 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 accompanying 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 accompanying 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 2019 Form 10-K. Except for per share amounts or as otherwise specified, dollar 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. 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.

Recently Adopted Accounting Standards Effective January 1, 2020, we adopted Accounting Standards Update (ASU) 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model based on current expected credit losses (CECL) rather than incurred losses. Estimated credit losses under CECL consider relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectability of financial assets, resulting in recognition of lifetime expected credit losses at initial recognition of the related asset. We adopted ASU 2016-13 on a modified retrospective basis by recognizing an after-tax cumulative-effect adjustment to the opening balance of Retained earnings of $660 million, inclusive of $643 million related to GM Financial. The application of ASU 2016-13 increased our allowance for loan losses related to GM Financial receivables, net by $801 million and had an insignificant impact to our allowance for credit losses for Accounts and notes receivable and no adoption impact to Marketable debt securities on our condensed consolidated balance sheets.

Accounting Standards Not Yet Adopted In March 2020, the Financial Accounting Standards Board issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (ASU 2020-04), which provides optional expedients and exceptions for applying U.S. GAAP if certain criteria are met to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued. ASU 2020-04 became effective March 12, 2020 and may be applied prospectively through December 31, 2022. We do not believe the discontinuance of LIBOR will be a significant event for our Automotive arrangements. A substantial portion of GM Financial’s indebtedness bears interest at variable interest rates, primarily based on USD-LIBOR. The adoption of ASU 2020-04 is not expected to have a material impact on our condensed consolidated financial statements as the standard will ease, if warranted, the requirements for accounting for the future effects of the rate reform. We continue to monitor the impact the discontinuance of LIBOR or another reference rate will have on GM Financial's contracts, hedging relationships and other transactions.

Note 2. Significant Accounting Policies

The information presented on Marketable Debt Securities, Accounts and Notes Receivable and GM Financial Receivables supplements the Significant Accounting Policies information presented in our 2019 Form 10-K to reflect the adoption of ASU 2016-13 that became effective January 1, 2020. See our 2019 Form 10-K for a description of our significant accounting policies in effect prior to the adoption of ASU 2016-13.

Marketable Debt Securities We classify marketable debt securities as either available-for-sale or trading. Various factors, including turnover of holdings and investment guidelines, are considered in determining the classification of securities. Available-for-sale debt securities are recorded at fair value with unrealized gains, and losses that are not credit related, recorded net of applicable taxes in Accumulated other comprehensive loss until realized. Credit losses are recorded in Interest income and other non-operating income, net.

An evaluation is made quarterly to determine if any portion of unrealized losses on available-for-sale debt securities is related to credit losses or whether any unrealized losses recorded in Accumulated other comprehensive loss need to be reclassified. Non-credit related unrealized losses are reclassified to Interest income and other non-operating income, net if we intend to sell the security or it is more likely than not that we will be required to sell the security before the recovery of the unrealized loss.

Accounts and Notes Receivable Accounts and notes receivable primarily consists of amounts that are due and payable from our customers for the sale of vehicles, parts, and accessories. We evaluate the collectability of receivables each reporting period and record an allowance for doubtful accounts to present the net amount expected to be collected on our receivables. Additions to the allowance are charged to bad debt expense and reported in Automotive and other selling, general and administrative expense.

GM Financial Receivables Finance receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover expected credit losses on the finance receivables. For retail finance receivables, GM Financial uses static pool modeling techniques to determine the allowance for loan losses expected over the remaining life of the receivables, which is supplemented by management judgment. The modeling techniques incorporate reasonable and supportable forecasts of economic conditions over the expected remaining life of the finance receivables. The economic forecasts incorporate factors which vary by region that GM Financial believes will have the largest impact on expected losses, including unemployment rates, interest rate spreads, disposable personal income and growth rates in gross domestic product.

Troubled debt restructurings (TDRs) are grouped separately for purposes of measuring the allowance. The allowance for TDRs uses static pool modeling techniques like non-TDR retail finance receivables to determine the expected loss amount. The expected cash flows of the receivables are then discounted at the original weighted average effective interest rate of the pool. Factors considered when estimating the allowance for TDRs are based on an evaluation of historical and current information, which may be supplemented by management judgment. Finance charge income from loans classified as TDRs is accounted for in the same manner as other accruing loans. Cash collections on these loans are allocated according to the same payment hierarchy methodology applied to loans that are not classified as TDRs.

Commercial finance receivables are carried at amortized cost, net of allowance for loan losses and any amounts received under a cash management program. GM Financial establishes the allowance for loan losses based on historical loss experience, as well as the forecast for industry vehicle sales, which is the economic indicator believed to have the largest impact on expected losses.

Note 3. Revenue

The following table disaggregates our revenue by major source:

	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

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS —— (Continued)

	Three Months Ended June 30, 2019							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/ Reclassifications	Total
Vehicle, parts and accessories	$ 26,976	$ 3,744	$ —	$ 30,720	$ —	$ —	$ —	$ 30,720
Used vehicles	577	29	—	606	—	—	—	606
Services and other	771	274	54	1,099	25	—	(25)	1,099
Automotive net sales and revenue	28,324	4,047	54	32,425	25	—	(25)	32,425
Leased vehicle income	—	—	—	—	—	2,512	—	2,512
Finance charge income	—	—	—	—	—	1,008	(2)	1,006
Other income	—	—	—	—	—	119	(2)	117
GM Financial net sales and revenue	—	—	—	—	—	3,639	(4)	3,635
Net sales and revenue	$ 28,324	$ 4,047	$ 54	$ 32,425	$ 25	$ 3,639	$ (29)	$ 36,060

	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

	Six Months Ended June 30, 2019							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/ Reclassifications	Total
Vehicle, parts and accessories	$ 52,938	$ 7,311	$ —	$ 60,249	$ —	$ —	$ —	$ 60,249
Used vehicles	1,204	64	—	1,268	—	—	—	1,268
Services and other	1,547	522	100	2,169	50	—	(50)	2,169
Automotive net sales and revenue	55,689	7,897	100	63,686	50	—	(50)	63,686
Leased vehicle income	—	—	—	—	—	5,021	—	5,021
Finance charge income	—	—	—	—	—	1,995	(4)	1,991
Other income	—	—	—	—	—	243	(3)	240
GM Financial net sales and revenue	—	—	—	—	—	7,259	(7)	7,252
Net sales and revenue	$ 55,689	$ 7,897	$ 100	$ 63,686	$ 50	$ 7,259	$ (57)	$ 70,938

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 $470 million and were insignificant in the three months ended June 30, 2020 and 2019.

Contract liabilities in our Automotive segments primarily consist of maintenance, extended warranty and other service contracts of $2.3 billion and $2.2 billion at June 30, 2020 and December 31, 2019, which are included in Accrued liabilities and Other liabilities. We recognized revenue of $241 million and $627 million related to contract liabilities in the three and six months ended June 30, 2020 and $469 million and $902 million in the three and six months ended June 30, 2019. We expect to recognize revenue of $651 million in the six months ending December 31, 2020 and $718 million, $381 million and $533 million in the years ending December 31, 2021, 2022 and thereafter related to contract liabilities at June 30, 2020.

Note 4. 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, 2020	December 31, 2019
Cash and cash equivalents			
Cash and time deposits(a)		$ 13,203	$ 6,828
Available-for-sale debt securities			
U.S. government and agencies	2	3,879	1,484
Corporate debt	2	3,318	5,863
Sovereign debt	2	2,250	2,123
Total available-for-sale debt securities – cash equivalents		9,447	9,470
Money market funds	1	5,578	2,771
Total cash and cash equivalents(b)		$ 28,228	$ 19,069
Marketable debt securities			
U.S. government and agencies(c)	2	$ 3,435	$ 226
Corporate debt	2	3,552	2,932
Mortgage and asset-backed	2	641	681
Sovereign debt	2	1,626	335
Total available-for-sale debt securities – marketable securities(d)		$ 9,254	$ 4,174
Restricted cash			
Cash and cash equivalents		$ 267	$ 292
Money market funds	1	4,145	3,582
Total restricted cash		$ 4,412	$ 3,874
Available-for-sale debt securities included above with contractual maturities(e)			
Due in one year or less		$ 15,333	
Due between one and five years		2,727	
Total available-for-sale debt securities with contractual maturities		$ 18,060	

(a) Includes $248 million designated exclusively to fund capital expenditures in GM Korea Company (GM Korea) at December 31, 2019. No amount was designated exclusively to fund GM Korea capital expenditures at June 30, 2020.
(b) Includes $1.2 billion and $2.3 billion in Cruise at June 30, 2020 and December 31, 2019.
(c) Includes $505 million of marketable debt securities pending cash settlement at June 30, 2020.
(d) Includes $960 million and $266 million in Cruise at June 30, 2020 and December 31, 2019.
(e) Excludes mortgage- and asset-backed securities of $641 million at June 30, 2020 as these securities are not due at a single maturity date.

Proceeds from the sale of available-for-sale debt investments sold prior to maturity were $554 million and $486 million in the three months ended June 30, 2020 and 2019 and $920 million and $1.1 billion in the six months ended June 30, 2020 and 2019. Net unrealized gains and losses on available-for-sale debt securities were insignificant in the three and six months ended June 30, 2020 and 2019. Cumulative unrealized gains and losses on available-for-sale debt securities were insignificant at June 30, 2020 and December 31, 2019.

We liquidated our remaining shares in Lyft, Inc. (Lyft) in the three months ended June 30, 2020. We recorded an unrealized loss of $65 million and an unrealized gain of $220 million in Interest income and other non-operating income, net in the three and six months ended June 30, 2019.

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

	June 30, 2020
Cash and cash equivalents	$ 28,228
Restricted cash included in Other current assets	3,930
Restricted cash included in Other assets	482
Total	$ 32,640

Note 5. GM Financial Receivables and Transactions

	June 30, 2020			December 31, 2019		
	Retail	Commercial(a)	Total	Retail	Commercial(a)	Total
GM Financial receivables, net of fees	$ 46,472	$ 7,489	$ 53,961	$ 42,229	$ 11,671	$ 53,900
Less: allowance for loan losses	(2,044)	(67)	(2,111)	(866)	(78)	(944)
GM Financial receivables, net	$ 44,428	$ 7,422	$ 51,850	$ 41,363	$ 11,593	$ 52,956
Fair value of GM Financial receivables utilizing Level 2 inputs			$ 7,422			$ 11,593
Fair value of GM Financial receivables utilizing Level 3 inputs			$ 46,603			$ 41,973

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(a) Net of dealer cash management balances of $1.3 billion and $1.2 billion at June 30, 2020 and December 31, 2019. 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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Allowance for loan losses at beginning of period	$ 1,966	$ 924	$ 944	$ 911
Impact of adoption ASU 2016-13 (Note 1)	—	—	801	—
Provision for loan losses	327	179	793	354
Charge-offs	(273)	(279)	(613)	(588)
Recoveries	91	132	247	277
Effect of foreign currency	—	1	(61)	3
Allowance for loan losses at end of period	$ 2,111	$ 957	$ 2,111	$ 957

The provision for loan losses increased primarily due to increased expected charge-offs and decreased expected recoveries as a result of the economic impact of the novel strain of the coronavirus (COVID-19) pandemic.

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. A summary of the amortized cost 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, 2020 is as follows:

	Year of Origination							June 30, 2020		December 31, 2019	
	2020	2019	2018	2017	2016	2015	Prior	Total	Percent	Total	Percent
Prime – FICO score 680 and greater	$ 10,305	$ 9,009	$ 6,056	$ 2,774	$ 940	$ 253	$ 9	$ 29,346	63.2 %	$ 25,400	60.1 %
Near-prime – FICO score 620 to 679	1,785	2,533	1,574	828	340	138	25	7,223	15.5 %	6,862	16.3 %
Sub-prime – FICO score less than 620	1,917	3,178	1,982	1,440	833	396	157	9,903	21.3 %	9,967	23.6 %
Retail finance receivables, net of fees	$ 14,007	$ 14,720	$ 9,612	$ 5,042	$ 2,113	$ 787	$ 191	$ 46,472	100.0 %	$ 42,229	100.0 %

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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 $907 million and $875 million at June 30, 2020 and December 31, 2019. The following table is a consolidated summary of the delinquency status of the outstanding amortized cost of retail finance receivables for each vintage of the portfolio at June 30, 2020:

	Year of Origination							June 30, 2020		June 30, 2019	
	2020	2019	2018	2017	2016	2015	Prior	Total	Percent	Total(a)	Percent
Current	$ 13,875	$ 14,234	$ 9,224	$ 4,752	$ 1,930	$ 689	$ 148	$ 44,852	96.5 %		
31-to-60 days	86	295	236	181	114	61	25	998	2.2 %	$ 1,083	2.5 %
Greater-than-60 days	44	183	147	106	67	36	18	601	1.3 %	498	1.2 %
Finance receivables more than 30 days delinquent	130	478	383	287	181	97	43	1,599	3.5 %	1,581	3.7 %
In repossession	2	8	5	3	2	1	—	21	— %	48	0.1 %
Finance receivables more than 30 days delinquent or in repossession	132	486	388	290	183	98	43	1,620	3.5 %	$ 1,629	3.8 %
Retail finance receivables, net of fees	$ 14,007	$ 14,720	$ 9,612	$ 5,042	$ 2,113	$ 787	$ 191	$ 46,472	100.0 %		

(a) Represents the contractual amounts of delinquent retail finance receivables, which is not significantly different than the outstanding amortized cost for such receivables.

The outstanding amortized cost of retail finance receivables that are considered TDRs was $2.3 billion at June 30, 2020, including $320 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. The commercial finance receivables on nonaccrual status were insignificant at June 30, 2020.

Prior to January 1, 2020, GM Financial estimated the allowance for loan losses based on an analysis of the experience of comparable commercial lenders. Effective January 1, 2020, GM Financial establishes the allowance for loan losses based on historical loss experience for the consolidated portfolio, in addition to forecast for industry vehicle sales. The updated 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 table summarizes the credit risk profile by dealer risk rating of commercial finance receivables at June 30, 2020:

	Year of Origination(a)								June 30, 2020	
	Revolving	2020	2019	2018	2017	2016	2015	Prior	Total	Percent
I	$ 5,989	$ 134	$ 226	$ 81	$ 102	$ 127	$ 61	$ 8	$ 6,728	89.8 %
II	388	1	7	3	21	4	13	22	459	6.1 %
III	247	—	8	29	2	10	1	—	297	4.0 %
IV	1	—	—	—	—	—	4	—	5	0.1 %
Commercial finance receivables, net of fees	$ 6,625	$ 135	$ 241	$ 113	$ 125	$ 141	$ 79	$ 30	$ 7,489	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, 2020	December 31, 2019
Condensed Consolidated Balance Sheets(a)		
Commercial finance receivables, net due from GM consolidated dealers	$ 395	$ 478
Finance receivables from GM subsidiaries	$ 17	$ 39
Subvention receivable(b)	$ 618	$ 676
Loans receivable(b)	$ 947	$ —
Commercial loan funding payable	$ 52	$ 74

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Condensed Consolidated Statements of Income				
Interest subvention earned on finance receivables	$ 162	$ 147	$ 318	$ 295
Leased vehicle subvention earned	$ 765	$ 818	$ 1,570	$ 1,653

(a) All balance sheet amounts are eliminated upon consolidation.
(b) Cash paid by Automotive segments to GM Financial for subvention was $967 million and $959 million in the three months ended June 30, 2020 and 2019 and $2.0 billion in the six months ended June 30, 2020 and 2019. Loans receivable include amounts funded to Automotive segments primarily in the amount of subvention owed to GM Financial in the three months ended June 30, 2020.

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

Note 6. Inventories

	June 30, 2020	December 31, 2019
Total productive material, supplies and work in process	$ 5,149	$ 4,713
Finished product, including service parts	5,131	5,685
Total inventories	$ 10,280	$ 10,398

Note 7. Equipment on Operating Leases

Equipment on operating leases primarily consists of leases to retail customers of GM Financial. The current portion of net equipment on operating leases is included in Other current assets.

	June 30, 2020	December 31, 2019
Equipment on operating leases	$ 50,685	$ 53,081
Less: accumulated depreciation	(11,078)	(10,989)
Equipment on operating leases, net	$ 39,607	$ 42,092

Depreciation expense related to Equipment on operating leases, net was $1.9 billion and $1.8 billion in the three months ended June 30, 2020 and 2019 and $3.7 billion in the six months ended June 30, 2020 and 2019.

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

	Year Ending December 31,					
	2020	2021	2022	2023	2024	Total
Lease receipts under operating leases	$ 3,333	$ 4,961	$ 2,481	$ 435	$ 19	$ 11,229

Note 8. Equity in Net Assets of Nonconsolidated Affiliates

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Automotive China equity income	$ 169	$ 235	$ 2	$ 611
Other joint ventures equity income	43	36	78	74
Total Equity income	$ 212	$ 271	$ 80	$ 685

There have been no significant ownership changes in our Automotive China joint ventures (Automotive China JVs) since December 31, 2019.

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Summarized Operating Data of Automotive China JVs				
Automotive China JVs' net sales	$ 9,239	$ 9,002	$ 13,560	$ 19,148
Automotive China JVs' net income	$ 562	$ 499	$ 214	$ 1,266

Dividends declared but not paid from our nonconsolidated affiliates were $526 million and an insignificant amount at June 30, 2020 and December 31, 2019. Dividends received from our nonconsolidated affiliates were $525 million and $526 million in the three and six months ended June 30, 2020 and $941 million in the three and six months ended June 30, 2019. Undistributed earnings from our nonconsolidated affiliates were $1.7 billion and $2.1 billion at June 30, 2020 and December 31, 2019.

Note 9. Goodwill

We had Goodwill of $1.9 billion at June 30, 2020, which includes $1.3 billion related to GM Financial's North America reporting unit. Since December 31, 2019, the COVID-19 pandemic has caused material disruption to businesses, resulting in an economic slowdown. The economic and social uncertainty resulting from the COVID-19 pandemic indicated that it was more likely than not that a goodwill impairment existed at March 31, 2020 for GM Financial's North America reporting unit. Therefore, in the three months ended March 31, 2020, we performed an event-driven goodwill impairment test for GM Financial's North America reporting unit and determined no goodwill impairment existed.

The fair value of GM Financial's North America reporting unit at March 31, 2020 was determined based on valuation techniques using the best available information, primarily discounted cash flow projections. We make significant assumptions and estimates about the extent and timing of future cash flows. There can be no assurance that anticipated financial results will be achieved. Under multiple scenarios, including fully weighting the downside cash flow scenario, the estimated fair value of GM Financial's North America reporting unit at March 31, 2020 exceeded its carrying amount. During the three months ended June 30, 2020, we noted no further material deterioration in our economic performance or outlook that would indicate further testing of goodwill impairment was warranted. Future goodwill impairment could be recognized should economic uncertainty continue, thereby resulting in a prolonged economic slowdown and a corresponding decline in the fair value of our reporting units.

Note 10. Variable Interest Entities

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 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, 2020	December 31, 2019
Restricted cash – current	$ 2,269	$ 2,202
Restricted cash – non-current	$ 401	$ 441
GM Financial receivables, net of fees – current	$ 15,457	$ 19,081
GM Financial receivables, net of fees – non-current	$ 14,009	$ 15,921
GM Financial equipment on operating leases, net	$ 19,172	$ 14,464
GM Financial short-term debt and current portion of long-term debt	$ 24,245	$ 23,952
GM Financial long-term debt	$ 15,961	$ 15,819

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 probable loan losses inherent in the finance receivables.

Note 11. Debt

Automotive The following table presents debt in our automotive operations:

	June 30, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	$ 274	$ 272	$ 167	$ 165
Unsecured debt	34,308	36,093	13,909	15,247
Finance lease liabilities	339	605	310	516
Total automotive debt(a)	$ 34,921	$ 36,970	$ 14,386	$ 15,928
Fair value utilizing Level 1 inputs		$ 17,660		$ 13,628
Fair value utilizing Level 2 inputs		$ 19,310		$ 2,300
Available under credit facility agreements(b)		$ 2,335		$ 17,285
Weighted-average interest rate on outstanding short-term debt(c)		3.9 %		4.9 %
Weighted-average interest rate on outstanding long-term debt(c)		3.5 %		5.4 %

(a) Includes net discount and debt issuance costs of $514 million and $540 million at June 30, 2020 and December 31, 2019.
(b) Excludes our 364-day, $2.0 billion facility designated 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 revolving credit facilities and senior notes. In the six months ended June 30, 2020, we borrowed: (1) $3.4 billion against our three-year, $4.0 billion facility; (2) $2.0 billion against our three-year, $3.0 billion facility, which reduced to $2.0 billion in May 2020 (three-year, $2.0 billion transformation facility); and (3) $10.5 billion against our five-year, $10.5 billion facility, with maturity dates ranging from 2021 to 2023.

In April 2020, we renewed our 364-day, $2.0 billion facility designated for exclusive use by GM Financial for an additional 364-day term and extended $3.6 billion of the three-year, $4.0 billion facility for an additional year expiring in April 2022. The remaining portion will expire in April 2021, unless extended. As part of the extension of the three-year, $4.0 billion facility, we have agreed not to execute any share repurchases until we no longer have outstanding borrowings under the revolving credit facilities, except for the three-year, $2.0 billion transformation facility. In addition, we are restricted from paying dividends on our common shares if outstanding borrowings under the revolving credit facilities exceed $5.0 billion, with the exception of the three-year, $2.0 billion transformation facility.

In May 2020, we issued $4.0 billion in aggregate principal amount of senior unsecured notes with a weighted average interest rate of 6.11% and maturity dates ranging from 2023 to 2027. The notes are governed by a sixth supplemental indenture and the same base indenture that governs our existing notes, which contains terms and covenants customary for these types of securities, including a limitation on the amount of certain secured debt we may incur. The net proceeds from the issuance of these senior unsecured notes provide additional financial flexibility and will be used for general corporate purposes. In May 2020, we also entered into a new unsecured 364-day, $2.0 billion revolving credit facility as an additional source of available liquidity.

GM Financial The following table presents debt of GM Financial:

	June 30, 2020		December 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	$ 40,308	$ 40,673	$ 39,959	$ 40,160
Unsecured debt	51,944	52,017	48,979	50,239
Total GM Financial debt	$ 92,252	$ 92,690	$ 88,938	$ 90,399
Fair value utilizing Level 2 inputs		$ 91,237		$ 88,481
Fair value utilizing Level 3 inputs		$ 1,453		$ 1,918

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 10 for additional information on GM Financial's involvement with VIEs. GM Financial is required to hold certain funds in restricted cash accounts to provide additional collateral for borrowings under certain secured credit facilities. The weighted-average interest rate on secured debt was 2.42% at June 30, 2020. The revolving credit facilities have maturity dates ranging from 2020 to 2026 and securitization notes payable have maturity dates ranging from 2020 to 2027. At the end of the revolving period, if not renewed, the debt of revolving credit facilities will amortize over a defined period. In the six months ended June 30, 2020, GM Financial renewed revolving credit facilities with total borrowing capacity of $14.5 billion and issued $9.0 billion in aggregate principal amount of securitization notes payable with an initial weighted average interest rate of 1.71% and maturity dates ranging from 2021 to 2027.

Unsecured debt consists of senior notes, credit facilities and other unsecured debt. Senior notes outstanding at June 30, 2020 have maturity dates ranging from 2020 through 2030 and have a weighted-average interest rate of 3.38%. In the six months ended June 30, 2020, GM Financial issued $5.9 billion in aggregate principal amount of senior notes with an initial weighted average interest rate of 3.41% and maturity dates ranging from 2023 to 2030.

Unsecured credit facilities and other unsecured debt have original maturities of up to four years. The weighted-average interest rate on these credit facilities and other unsecured debt was 3.15% at June 30, 2020.

Contractual Maturities The following table summarizes contractual maturities including finance leases at June 30, 2020:

	Automotive	Automotive Financing	Total
2020 (July 1, 2020 to December 31, 2020)	$ 1,489	$ 21,693	$ 23,182
2021	1,908	27,507	29,415
2022	5,160	14,878	20,038
2023	13,010	9,329	22,339
2024	75	6,170	6,245
2025	2,540	6,265	8,805
Thereafter	11,253	5,941	17,194
	$ 35,435	$ 91,783	$ 127,218

Note 12. Derivative Financial Instruments

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

	Fair Value Level	June 30, 2020	December 31, 2019
Derivatives not designated as hedges(a)			
Foreign currency	2	$ 4,236	$ 5,075
Commodity	2	451	806
PSA warrants(b)	2	45	45
Total derivative financial instruments		$ 4,732	$ 5,926

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(a) The fair value of these derivative instruments at June 30, 2020 and December 31, 2019 and the gains/losses included in our condensed consolidated income statements for the three and six months ended June 30, 2020 and 2019 were insignificant, unless otherwise noted.

(b) The fair value of the warrants issued by Peugeot, S.A. (PSA Group) included in Other assets was $659 million and $964 million at June 30, 2020 and December 31, 2019. We recorded gains in Interest income and other non-operating income, net of $114 million and $32 million in the three months ended June 30, 2020 and 2019 and losses of $303 million and gains of $171 million in the six months ended June 30, 2020 and 2019.

We estimate the fair value of the PSA warrants using a Black-Scholes formula. The significant inputs to the model include the PSA Group stock price and the estimated dividend yield. We are entitled to receive any dividends declared by PSA Group 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, 2020			December 31, 2019		
		Notional	Fair Value of Assets	Fair Value of Liabilities	Notional	Fair Value of Assets	Fair Value of Liabilities
Derivatives designated as hedges(a)							
Fair value hedges							
Interest rate swaps	2	$ 10,894	$ 609	$ —	$ 9,458	$ 234	$ 23
Foreign currency swaps	2	1,797	26	68	1,796	22	71
Cash flow hedges							
Interest rate swaps	2	964	—	32	590	—	6
Foreign currency swaps	2	5,143	26	302	4,429	40	119
Derivatives not designated as hedges(a)							
Interest rate contracts	2	112,403	1,045	807	92,400	340	300
Total derivative financial instruments(b)		$ 131,201	$ 1,706	$ 1,209	$ 108,673	$ 636	$ 519

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(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, 2020 and 2019 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 $778 million and $210 million of collateral from counterparties available for netting against GM Financial's asset positions, and posted $274 million and an insignificant amount of collateral to counterparties available for netting against GM Financial's liability positions at June 30, 2020 and December 31, 2019.

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.

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, 2020		December 31, 2019	
	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)
GM Financial unsecured debt	$ 24,203	$ (648)	$ 20,397	$ (77)

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(a) Includes an insignificant amount of amortization remaining on hedged items for which hedge accounting has been discontinued at June 30, 2020 and December 31, 2019.

Note 13. Accrued and Other Liabilities

	June 30, 2020	December 31, 2019
Accrued liabilities		
Dealer and customer allowances, claims and discounts	$ 6,855	$ 10,402
Deferred revenue	3,106	3,234
Product warranty and related liabilities	2,728	2,987
Payrolls and employee benefits excluding postemployment benefits	1,573	1,969
Other	8,465	7,895
Total accrued liabilities	$ 22,727	$ 26,487
Other liabilities		
Deferred revenue	$ 2,696	$ 2,962
Product warranty and related liabilities	4,312	4,811
Operating lease liabilities	960	1,010
Employee benefits excluding postemployment benefits	724	704
Postemployment benefits including facility idling reserves	617	633
Other	2,594	3,026
Total other liabilities	$ 11,903	$ 13,146

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Product Warranty and Related Liabilities				
Warranty balance at beginning of period	$ 7,398	$ 7,552	$ 7,798	$ 7,590
Warranties issued and assumed in period – recall campaigns	41	128	158	252
Warranties issued and assumed in period – product warranty	220	529	718	1,056
Payments	(652)	(728)	(1,533)	(1,460)
Adjustments to pre-existing warranties	(1)	(57)	(20)	(22)
Effect of foreign currency and other	34	15	(81)	23
Warranty balance at end of period	$ 7,040	$ 7,439	$ 7,040	$ 7,439

We estimate our reasonably possible loss in excess of amounts accrued for recall campaigns to be insignificant at June 30, 2020. Refer to Note 15 for reasonably possible losses on Takata Corporation (Takata) matters.

Note 14. Pensions and Other Postretirement Benefits

	Three Months Ended June 30, 2020			Three Months Ended June 30, 2019		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	$ 63	$ 37	$ 4	$ 98	$ 29	$ 4
Interest cost	429	88	44	566	118	55
Expected return on plan assets	(817)	(163)	—	(871)	(192)	—
Amortization of prior service cost (credit)	(1)	1	(2)	(1)	1	(4)
Amortization of net actuarial losses	4	40	18	3	30	7
Net periodic pension and OPEB (income) expense	$ (322)	$ 3	$ 64	$ (205)	$ (14)	$ 62

	Six Months Ended June 30, 2020			Six Months Ended June 30, 2019		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	$ 125	$ 66	$ 9	$ 196	$ 64	$ 8
Interest cost	858	179	87	1,132	238	109
Expected return on plan assets	(1,633)	(333)	—	(1,739)	(387)	—
Amortization of prior service cost (credit)	(2)	3	(4)	(2)	2	(7)
Amortization of net actuarial losses	8	82	37	6	59	15
Net periodic pension and OPEB (income) expense	$ (644)	$ (3)	$ 129	$ (407)	$ (24)	$ 125

The non-service cost components of net periodic pension and other postretirement benefits (OPEB) income of $336 million and $232 million in the three months ended June 30, 2020 and 2019 and $674 million and $462 million in the six months ended June 30, 2020 and 2019 are presented in Interest income and other non-operating income, net.

Note 15. 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, 2020 and December 31, 2019, we had accruals of $1.2 billion and $1.3 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.

Proceedings Related to Ignition Switch Recall and Other Recalls In 2014 we announced various recalls relating to safety and other matters. Those recalls included recalls to repair ignition switches that could, under certain circumstances, unintentionally move from the “run” position to the “accessory” or “off” position with a corresponding loss of power, which could in turn prevent airbags from deploying in the event of a crash.

Appellate Litigation Regarding Successor Liability Ignition Switch Claims In 2016, the U.S. Court of Appeals for the Second Circuit held that the 2009 order of the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court) approving the sale of substantially all of the assets of Motors Liquidation Company (MLC), formerly known as General Motors Corporation, to GM free and clear of, among other things, claims asserting successor liability for obligations owed by MLC could not be enforced to bar claims against GM asserted by either plaintiffs who purchased used vehicles after the sale or against purchasers who asserted claims relating to the ignition switch defect, including pre-sale personal injury claims and economic-loss claims.

Economic-Loss Claims We are aware of over 100 putative class actions that were filed against GM in U.S. and Canadian courts alleging that consumers who purchased or leased vehicles manufactured by GM or MLC had been economically harmed by one or more of the 2014 recalls and/or the underlying vehicle conditions associated with those recalls (economic-loss cases).

In general, these economic-loss cases seek recovery for purported compensatory damages, such as alleged benefit-of-the-bargain damages or damages related to alleged diminution in value of the vehicles, as well as punitive damages, injunctive relief and other relief.

Many of the pending U.S. economic-loss claims have been transferred to, and consolidated in, a single federal court, the U.S. District Court for the Southern District of New York (Southern District). These plaintiffs have asserted economic-loss claims under federal and state laws, including claims relating to recalled vehicles manufactured by GM and claims asserting successor liability relating to certain recalled vehicles manufactured by MLC.

In August 2017, the Southern District granted our motion to dismiss the successor liability claims of plaintiffs in seven of the sixteen states at issue on the motion and called for additional briefing to decide whether plaintiffs' claims can proceed in the other nine states. In December 2017, the Southern District granted GM's motion and dismissed the plaintiffs' successor liability claims in an additional state, but found that there are genuine issues of material fact that prevent summary judgment for GM in eight other states. In January 2018, GM moved for reconsideration of certain portions of the Southern District's December 2017 summary judgment ruling. That motion was granted in April 2018, dismissing plaintiffs' successor liability claims in any state where New York law applies.

In September 2018, the Southern District granted our motion to dismiss claims for lost personal time (in 41 out of 47 jurisdictions) and certain unjust enrichment claims, but denied our motion to dismiss plaintiffs’ economic loss claims in 27 jurisdictions under the "manifest defect" rule.

In August 2019, the Southern District granted our motion for summary judgment on plaintiffs’ economic loss “benefit of the bargain” damage claims (the August 2019 Opinion). The Southern District held that plaintiffs’ conjoint analysis-based damages model failed to establish that plaintiffs suffered difference-in-value damages and without such evidence, plaintiffs’ difference-in-value damage claims fail under the laws of all three bellwether states: California, Missouri and Texas. Later in August 2019, the bellwether plaintiffs filed a motion requesting that the Southern District reconsider its summary judgment decision or allow an interlocutory appeal if reconsideration is denied. In December 2019, the Southern District denied plaintiffs' motion for reconsideration of the August 2019 Opinion, but granted the plaintiffs' motion for certification of an interlocutory appeal. On April 1, 2020, the Second Circuit Court of Appeals (the Second Circuit) granted the bellwether plaintiffs' petition seeking leave to appeal the August 2019 Opinion. On April 15, 2020, the bellwether plaintiffs and GM filed a Stipulation to withdraw the appeal from the Second Circuit based on the class settlement agreement described below. Pursuant to the Stipulation, the bellwether plaintiffs can reinstate the appeal no later than April 2021. The Second Circuit endorsed the Stipulation by order on April 16, 2020.

In September 2019, GM filed an updated motion for summary judgment on plaintiffs’ remaining economic loss claims that were not addressed in the Southern District’s August 2019 Opinion and renewed its evidentiary motion seeking to strike the opinions of plaintiff’s expert on plaintiffs’ alleged “lost time” damages associated with having the recall repairs performed.

In March 2020, GM, plaintiffs and the MLC GUC Trust (GUC Trust) reached a settlement agreement (Class Settlement Agreement) to resolve on a national basis the economic loss claims of the proposed settlement class and proposed sub-classes, consisting of consumers who purchased or leased GM vehicles covered by the seven 2014 safety recalls at issue in the Southern District and the Bankruptcy Court. The proposed Class Settlement Agreement provides a common fund of approximately $120 million for settlement class members, of which GM will fund approximately $70 million and the GUC Trust will fund the remaining $50 million. GM will also pay attorneys’ fees and costs that may be awarded by the Southern District to plaintiffs’ counsel up to a maximum of $35 million. In April 2020, the Avoidance Action Trust (AAT), GM and plaintiffs reached a tentative settlement under which the AAT will pay an insignificant amount and will be added as a settling party to the Class Settlement Agreement. During April and May 2020, the Southern District entered orders granting preliminary approval of the Class Settlement Agreement. The deadline for class members to object to or opt-out of the Class Settlement Agreement is October 2020. The final fairness hearing is set for December 2020.

Contingently Issuable Shares Under the Amended and Restated Master Sale and Purchase Agreement between GM and MLC, GM was obligated to issue additional shares (Adjustment Shares) of our common stock if allowed general unsecured claims against the GUC Trust, as estimated by the Bankruptcy Court, exceed $35.0 billion. In March 2020, in conjunction with the Class Settlement Agreement, the GUC Trust filed a motion in the Bankruptcy Court seeking approval to enter into and take actions necessary to execute the Class Settlement Agreement, and seeking Bankruptcy Court authorization permitting the GUC Trust to distribute $300 million of GUC Trust assets to its unitholders and entry into a mutual release agreement with GM that would release GM from any and all claims, including any that would require GM to issue any Adjustment Shares. Bankruptcy

Court approval of the GUC Trust motion is a condition precedent to preliminary approval of the Class Settlement Agreement by the Southern District. In April 2020, the Bankruptcy Court entered an order approving the GUC Trust's motion in its entirety. In May 2020, the approval and the mutual release agreement became binding and enforceable and GM was fully released from its potential Adjustment Shares obligation.

Personal Injury Claims We also are aware of several hundred actions pending in various courts in the U.S. and Canada alleging injury or death as a result of defects that may be the subject of the 2014 recalls (personal injury cases). In general, these cases seek recovery for purported compensatory damages, punitive damages and/or other relief. Since 2016, several bellwether trials of personal injury cases have taken place in the Southern District and in a Texas state court, which is administering a Texas state multi-district litigation. None of these trials resulted in a finding of liability against GM.

Government Matters In connection with the 2014 recalls, we have from time to time received subpoenas and other requests for information related to investigations by agencies or other representatives of U.S. federal, state and the Canadian governments. GM is cooperating with all reasonable pending requests for information. Any existing governmental matters or investigations could in the future result in the imposition of damages, fines, civil consent orders, civil and criminal penalties or other remedies.

The total amount accrued for the 2014 recalls at June 30, 2020 reflects amounts for a combination of settled but unpaid matters, and for the remaining unsettled investigations, claims and/or lawsuits relating to the ignition switch recalls and other related recalls to the extent that such matters are probable and can be reasonably estimated. The amounts accrued for those unsettled investigations, claims, and/or lawsuits represent a combination of our best single point estimates where determinable and, where no such single point estimate is determinable, our estimate of the low end of the range of probable loss with regard to such matters, if that is determinable. We will continue to consider resolution of pending matters involving ignition switch recalls and other recalls where it makes sense to do so.

GM Korea Wage Litigation GM Korea is party to litigation with current and former hourly employees in the appellate court and Incheon District Court in Incheon, Korea. The group actions, which in the aggregate involve more than 10,000 employees, allege that GM Korea failed to include bonuses and certain allowances in its calculation of Ordinary Wages due under Korean regulations. In 2012, the Seoul High Court (an intermediate-level appellate court) affirmed a decision in one of these group actions involving five GM Korea employees which was contrary to GM Korea's position. GM Korea appealed to the Supreme Court of the Republic of Korea (Korean Supreme Court). In 2014, the Korean Supreme Court largely agreed with GM’s legal arguments and remanded the case to the Seoul High Court for consideration consistent with earlier Korean Supreme Court precedent holding that while fixed bonuses should be included in the calculation of Ordinary Wages, claims for retroactive application of this rule would be barred under certain circumstances. In 2015, on reconsideration, the Seoul High Court held in GM Korea’s favor, after which the plaintiffs appealed to the Korean Supreme Court. In July 2020, the Korean Supreme Court held in GM Korea's favor. In light of this decision, we believe the probability that we will incur a material loss is remote and we estimate our loss in excess of amounts accrued is insignificant at June 30, 2020.

GM Korea is also party to litigation with current and former salaried employees over allegations relating to Ordinary Wages regulation and whether to include fixed bonuses in the calculation of Ordinary Wages. In 2017, the Seoul High Court held that certain workers are not barred from filing retroactive wage claims. GM Korea appealed this ruling to the Korean Supreme Court. The Korean Supreme Court has not yet rendered a decision. We estimate our reasonably possible loss in excess of amounts accrued to be approximately $170 million at June 30, 2020. Both the scope of claims asserted and GM Korea's assessment of any or all of the individual claim elements may change if new information becomes available or the legal or regulatory frameworks change.

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, the Korean labor authorities issued an adverse administrative order finding that GM Korea must hire certain current subcontract workers as full-time employees. GM Korea appealed that order, and in June 2020, the Seoul High Court ruled against GM Korea. GM Korea has appealed this decision to the Korean Supreme Court. At June 30, 2020, our accrual covering certain asserted claims and claims that we believe are probable of assertion and for which liability is probable was approximately $190 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 $110 million at June 30, 2020. 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 challenging whether a certain state value-added tax should be included in the calculation of federal gross receipts taxes. Those decisions granted the Company the right to recover, through offset of federal tax liabilities, certain amounts collected by the government between August 2001 and February 2017. As a result, GM Brazil recorded pre-tax recoveries of $380 million and $1.2 billion in Automotive and other cost of sales in the three and six months ended June 30, 2019. We recorded a total of $1.4 billion in pre-tax recoveries in Automotive and other cost of sales in the year ended December 31, 2019. Realization of these recoveries depends on the timing of administrative approvals and generation of federal tax liabilities eligible for offset. The Brazilian IRS has filed a Motion of Clarification on this matter with the Brazilian Supreme Court, which motion is awaiting decision as of the time of this disclosure. In addition, we expect third parties to make claims on some or all of the pre-tax recoveries, against which GM intends to defend.

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., in the Provincial Courts in Canada and in Israel 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, 2020. 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 $700 million at June 30, 2020.

Takata Matters In May 2016, the National Highway Traffic Safety Administration (NHTSA) issued an amended consent order requiring Takata to file defect information reports (DIRs) for previously unrecalled front airbag inflators that contain phased-stabilized ammonium nitrate-based propellant without a moisture absorbing desiccant on a multi-year, risk-based schedule through 2019 impacting tens of millions of vehicles produced by numerous automotive manufacturers. NHTSA concluded that the likely root cause of the rupturing of the airbag inflators is a function of time, temperature cycling and environmental moisture.

Although we do not believe there is a safety defect at this time in any unrecalled GM vehicles within scope of the Takata DIRs, in cooperation with NHTSA we have filed Preliminary DIRs covering certain of our GMT900 vehicles, which are full-size pickup trucks and sport utility vehicles (SUVs). We have also filed petitions for inconsequentiality with respect to the vehicles subject to those Preliminary DIRs. NHTSA has consolidated our petitions and will rule on them at the same time.

While these petitions have been pending, we have provided NHTSA with the results of our long-term studies and the studies performed by third-party experts, all of which form the basis for our determination that the inflators in these vehicles do not present an unreasonable risk to safety and that no repair should ultimately be required.

Accordingly, no warranty provision has been made for any repair associated with our vehicles subject to the Preliminary DIRs and amended consent order. However, in the event we are ultimately obligated to repair the vehicles subject to current or future Takata DIRs under the amended consent order in the U.S., we estimate a reasonably possible impact to GM of approximately $1.2 billion.

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. Additional recalls, if any, could be material to our results of operations and cash flows. We continue to monitor the international situation.

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 early stage of these proceedings, we are unable to provide an evaluation of the likelihood that a loss will be incurred or 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. 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. Our wholly owned subsidiary (the Seller) agreed to indemnify PSA Group for certain losses resulting from any inaccuracy of the representations and warranties or breaches of our covenants included in the Master Agreement (the Agreement) and for certain other liabilities, including certain emissions and product liabilities. The Company entered into a guarantee for the benefit of PSA Group and pursuant to which the Company agreed to guarantee the Seller's obligation to indemnify PSA Group. Certain of these indemnification obligations are subject to time limitations, thresholds and/or caps as to the amount of required payments.

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. In Germany, the Kraftfahrt-Bundesamt (KBA) issued an order in November 2019, which converted a voluntary recall initiated by Opel in 2017 and 2018 into a mandatory recall for allegedly failing to comply with certain emissions regulations. However, because the overwhelming majority of vehicles have already received KBA-approved software calibration updates pursuant to the voluntary recall, the number of vehicles subject to the mandatory recall is insignificant. The Seller may also be obligated to indemnify PSA Group or otherwise absorb costs and expenses resulting from the foregoing as well as certain related potential litigation costs, settlements, judgments and potential fines. In addition, at the KBA's request, the German authorities re-opened a separate criminal investigation related to this matter that had previously been closed with no action. We are unable to estimate any reasonably possible loss or range of loss that may result from this matter.

Transactions with PSA We continue to purchase from and supply to PSA Group certain vehicles, parts and engineering services for a period of time following the sale. The following table summarizes transactions with the Opel/Vauxhall Business:

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net sales and revenue(a)	$ 8	$ 441	$ 61	$ 868
Purchases and expenses(a)	$ 56	$ 213	$ 204	$ 405
Cash payments(b)			$ 458	$ 616
Cash receipts(b)			$ 177	$ 1,057

(a) Included in Net income (loss).
(b) Included in Net cash provided by (used in) operating activities.

Product Liability We recorded liabilities of $562 million and $544 million in Accrued liabilities and Other liabilities at June 30, 2020 and December 31, 2019 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. Other than claims relating to the ignition switch recalls discussed above, we believe that any judgment against us involving our and MLC 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 2020 to 2025 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 $3.1 billion and $2.6 billion for these guarantees at June 30, 2020 and December 31, 2019, 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 PSA Group under the Agreement.

Note 16. 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. We have open tax years from 2011 to 2019 with various significant tax jurisdictions.

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 three months ended June 30, 2019, Income tax expense of $524 million was primarily due to tax expense attributable to entities included in our effective tax rate calculation, partially offset by tax benefits related to tax settlements.

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 in our effective tax rate calculation and the establishment of a valuation allowance against deferred tax assets. In the six months ended June 30, 2019, Income tax expense of $661 million was primarily due to tax expense attributable to entities included in our effective tax rate calculation, partially offset by tax benefits related to a release of valuation allowance, tax settlements and benefits from foreign dividends.

At June 30, 2020, we had $24.1 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 17. 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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Balance at beginning of period	$ 583	$ 830	$ 564	$ 1,122
Additions, interest accretion and other	35	242	254	288
Payments	(163)	(166)	(338)	(483)
Revisions to estimates and effect of foreign currency	25	13	—	(8)
Balance at end of period	$ 480	$ 919	$ 480	$ 919

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. 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 resulting from these restructuring actions, primarily for sales allowances payments and dealer restructuring payments in the six months ended June 30, 2020. We expect to incur additional restructuring and other charges of approximately $400 million and additional net cash outflows of approximately $200 million, which includes expected proceeds of approximately $130 million from the sale of our manufacturing facility in Thailand, to be substantially complete by the end of 2020.

In the three and six months ended June 30, 2019, restructuring and other initiatives primarily included actions related to our announced transformation activities, which includes the unallocation of products to certain manufacturing facilities and other employee separation programs. We recorded charges of $361 million, primarily in GMNA, in the three months ended June 30, 2019 consisting of $231 million in supplier-related charges, which are reflected in the table above, and $130 million primarily in non-cash accelerated depreciation, not reflected in the table above. We recorded charges of $1.2 billion, primarily in GMNA, in the six months ended June 30, 2019 consisting of $911 million primarily in non-cash accelerated depreciation, not reflected in the table above, and $240 million primarily in supplier-related charges, which are reflected in the table above. These programs had a total cost since inception of $3.1 billion and were complete at December 31, 2019. We incurred $307 million and $487 million in cash outflows resulting from these restructuring actions in the six months ended June 30, 2020 and 2019, primarily for employee separations payments, and $1.4 billion in cash outflows since program inception, primarily for employee separation payments and supplier-related payments. We expect additional cash outflows related to these activities of approximately $100 million to be substantially complete by the end of 2020.

Note 18. 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 and 1.4 billion shares of common stock issued and outstanding at June 30, 2020 and December 31, 2019.

Cruise Preferred Shares In May 2019, GM Cruise Holdings LLC (Cruise Holdings) issued $1.1 billion of Cruise Class F Preferred Shares, including $687 million of Cruise Class F Preferred Shares to General Motors Holdings LLC. In August 2019, an additional insignificant amount of Cruise Class F Preferred Shares were issued to SoftBank Vision Fund (AIV M2), L.P. (The Vision Fund). All proceeds from these issuances are designated exclusively for working capital and general corporate purposes of Cruise. The Cruise Class F Preferred Shares only convert into common stock of Cruise Holdings, at specified exchange ratios, upon occurrence of an initial public offering. The Cruise Class F Preferred Shares are classified as noncontrolling interests in our condensed consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Foreign Currency Translation Adjustments				
Balance at beginning of period	$ (3,091)	$ (2,125)	$ (2,277)	$ (2,250)
Other comprehensive income (loss) and noncontrolling interests, net of reclassification adjustment and tax(a)(b)	(101)	47	(915)	172
Balance at end of period	$ (3,192)	$ (2,078)	$ (3,192)	$ (2,078)
Defined Benefit Plans				
Balance at beginning of period	$ (8,540)	$ (6,701)	$ (8,857)	$ (6,737)
Other comprehensive income (loss) before reclassification adjustment, net of tax(b)	(97)	(28)	166	(29)
Reclassification adjustment, net of tax(b)	58	34	112	71
Other comprehensive income (loss), net of tax(b)	(39)	6	278	42
Balance at end of period(c)	$ (8,579)	$ (6,695)	$ (8,579)	$ (6,695)

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(a) The noncontrolling interests and reclassification adjustment were insignificant in the three and six months ended June 30, 2020 and 2019.
(b) The income tax effect was insignificant in the three and six months ended June 30, 2020 and 2019.
(c) Primarily consists of unamortized actuarial loss on our defined benefit plans. Refer to Note 2. Significant Accounting Policies of our 2019 Form 10-K for additional information.

Note 19. Earnings Per Share

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Basic earnings per share				
Net income (loss) attributable to stockholders	$ (758)	$ 2,418	$ (464)	$ 4,575
Less: cumulative dividends on subsidiary preferred stock	(48)	(37)	(95)	(75)
Net income (loss) attributable to common stockholders	$ (806)	$ 2,381	$ (559)	$ 4,500
Weighted-average common shares outstanding	1,432	1,420	1,432	1,419
Basic earnings (loss) per common share	$ (0.56)	$ 1.68	$ (0.39)	$ 3.17
Diluted earnings per share				
Net income (loss) attributable to common stockholders – diluted	$ (806)	$ 2,381	$ (559)	$ 4,500
Weighted-average common shares outstanding – basic	1,432	1,420	1,432	1,419
Dilutive effect of warrants and awards under stock incentive plans	—	18	—	18
Weighted-average common shares outstanding – diluted	1,432	1,438	1,432	1,437
Diluted earnings (loss) per common share	$ (0.56)	$ 1.66	$ (0.39)	$ 3.13
Potentially dilutive securities(a)	43	7	43	7

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

Note 20. 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, GMC and Holden 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. Cruise, formerly GM 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, PSA 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, 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.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS —— (Continued)

	At and For the Three Months Ended June 30, 2019								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 28,324	$ 4,047	$ 54		$ 32,425	$ 25	$ 3,639	$ (29)	$ 36,060
Earnings (loss) before interest and taxes-adjusted	$ 3,022	$ (48)	$ (216)		$ 2,758	$ (279)	$ 536	$ (3)	$ 3,012
Adjustments(a)	$ (336)	$ 357	$ (2)		$ 19	$ —	$ —	$ —	19
Automotive interest income									106
Automotive interest expense									(195)
Net (loss) attributable to noncontrolling interests									(15)
Income before income taxes									2,927
Income tax expense									(524)
Net income									2,403
Net loss attributable to noncontrolling interests									15
Net income attributable to stockholders									$ 2,418
Equity in net assets of nonconsolidated affiliates	$ 82	$ 6,800	$ 12	$ —	$ 6,894	$ —	$ 1,446	$ —	$ 8,340
Goodwill and intangibles	$ 2,520	$ 908	$ 1	$ —	$ 3,429	$ 670	$ 1,358	$ —	$ 5,457
Total assets	$ 114,515	$ 26,681	$ 29,597	$ (50,446)	$ 120,347	$ 4,212	$ 110,711	$ (1,533)	$ 233,737
Depreciation and amortization	$ 1,409	$ 119	$ 13	$ —	$ 1,541	$ 7	$ 1,848	$ —	$ 3,396
Impairment charges	$ 8	$ 3	$ —	$ —	$ 11	$ —	$ —	$ —	$ 11
Equity income (loss)	$ 2	$ 233	$ (6)	$ —	$ 229	$ —	$ 42	$ —	$ 271

(a) Consists of restructuring and other charges related to transformation activities of $361 million, primarily in GMNA and a benefit of $380 million related to the retrospective recoveries of indirect taxes in Brazil in GMI.

	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.

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS —— (Continued)

	At and For the Six Months Ended June 30, 2019								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 55,689	$ 7,897	$ 100		$ 63,686	$ 50	$ 7,259	$ (57)	$ 70,938
Earnings (loss) before interest and taxes-adjusted	$ 4,918	$ (17)	$ (10)		$ 4,891	$ (448)	$ 895	$ (16)	$ 5,322
Adjustments(a)	$ (1,119)	$ 1,207	$ (2)		$ 86	$ —	$ —	$ —	86
Automotive interest income									204
Automotive interest expense									(376)
Net (loss) attributable to noncontrolling interests									(27)
Income before income taxes									5,209
Income tax expense									(661)
Net income									4,548
Net loss attributable to noncontrolling interests									27
Net income attributable to stockholders									$ 4,575
Depreciation and amortization	$ 3,478	$ 246	$ 25	$ —	$ 3,749	$ 9	$ 3,747	$ —	$ 7,505
Impairment charges	$ 15	$ 3	$ —	$ —	$ 18	$ —	$ —	$ —	$ 18
Equity income (loss)	$ 4	$ 607	$ (13)	$ —	$ 598	$ —	$ 87	$ —	$ 685

(a) Consists of restructuring and other charges related to transformation activities of $1.2 billion, primarily in GMNA and a benefit of $1.2 billion related to the retrospective recoveries of indirect taxes in Brazil in GMI.

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 2019 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 Item 1A. Risk Factors of our 2019 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.

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,	
	2020	2019	2020	2019	2019	2018	2019	2018
Net income (loss) attributable to stockholders	$ (758)	$ 2,418	$ 294	$ 2,157	$ (194)	$ 2,044	$ 2,351	$ 2,534
Income tax expense (benefit)	(112)	524	357	137	(163)	(611)	271	100
Automotive interest expense	303	195	193	181	200	185	206	161
Automotive interest income	(61)	(106)	(83)	(98)	(96)	(117)	(129)	(82)
Adjustments								
GMI restructuring(a)	92	—	489	—	—	—	—	—
Transformation activities(b)	—	361	—	790	194	1,327	390	—
GM Brazil indirect tax recoveries(c)	—	(380)	—	(857)	—	—	(123)	—
FAW-GM divestiture(d)	—	—	—	—	164	—	—	—
Ignition switch recall and related legal matters(e)	—	—	—	—	—	—	—	440
Total adjustments	92	(19)	489	(67)	358	1,327	267	440
EBIT (loss)-adjusted	$ (536)	$ 3,012	$ 1,250	$ 2,310	$ 105	$ 2,828	$ 2,966	$ 3,153

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(a) 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 and asset impairments, dealer restructurings, employee separation charges and sales allowances in the three months ended March 31, 2020 in Australia, New Zealand and Thailand.

(b) 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 supplier-related charges and accelerated depreciation in the three months ended June 30, 2019, accelerated depreciation in the three months ended March 31, 2019, accelerated depreciation and employee separation charges in the three months ended December 31, 2019, employee separation charges and accelerated depreciation in the three months ended December 31, 2018 and supplier-related charges and pension curtailment and other charges in the three months ended September 30, 2019.

(c) These adjustments were excluded because of the unique events associated with decisions rendered by the Superior Judicial Court of Brazil resulting in retrospective recoveries of indirect taxes.

(d) 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.

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

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, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Diluted earnings (loss) per common share	$ (806)	$ (0.56)	$ 2,381	$ 1.66	$ (559)	$ (0.39)	$ 4,500	$ 3.13
Adjustments(a)	92	0.06	(19)	(0.01)	581	0.41	(86)	(0.06)
Tax effect on adjustment(b)	5	—	(9)	(0.01)	(68)	(0.05)	(41)	(0.03)
Tax adjustment(c)	—	—	—	—	236	0.16	—	—
EPS-diluted-adjusted	$ (709)	$ (0.50)	$ 2,353	$ 1.64	$ 190	$ 0.13	$ 4,373	$ 3.04

(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) This adjustment consists of tax expense related to the establishment of a valuation allowance against deferred tax assets in Australia and New Zealand. This adjustment was 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, 2020			June 30, 2019			June 30, 2020			June 30, 2019		
	Income (loss) before income taxes	Income tax benefit	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income (loss) before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate
Effective tax rate	$ (892)	$ (112)	12.6 %	$ 2,927	$ 524	17.9 %	$ (249)	$ 245	n.m.	$ 5,209	$ 661	12.7 %
Adjustments(a)	92	(5)		(16)	9		581	68		(83)	41	
Tax adjustment(b)		—			—			(236)			—	
ETR-adjusted	$ (800)	$ (117)	14.6 %	$ 2,911	$ 533	18.3 %	$ 332	$ 77	23.2 %	$ 5,126	$ 702	13.7 %

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. Net income attributable to noncontrolling interests included for these adjustments is insignificant in the three and six months ended June 30, 2019. 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 (loss) 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, 2020	June 30, 2019
Net income (loss) attributable to stockholders	$ 1.7	$ 9.2
Average equity(a)	$ 42.8	$ 41.1
ROE	4.0 %	22.3 %

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

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

	Four Quarters Ended	
	June 30, 2020	June 30, 2019
EBIT (loss)-adjusted(a)	$ 3.8	$ 11.3
Average equity(b)	$ 42.8	$ 41.1
Add: Average automotive debt and interest liabilities (excluding finance leases)	23.6	14.9
Add: Average automotive net pension & OPEB liability	17.1	16.9
Less: Average automotive and other net income tax asset	(23.9)	(23.1)
ROIC-adjusted average net assets	$ 59.6	$ 49.8
ROIC-adjusted	6.4 %	22.7 %

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(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 management team has adopted a strategic plan to transform GM into the world's most valued automotive company. Our plan includes several major initiatives that we anticipate will redefine the future of personal mobility and advance our vision of zero crashes, zero emissions, zero congestion while also strengthening the core of our business: earning customers for life by delivering winning vehicles, leading the industry in quality and safety and improving the customer ownership experience; leading in technology and innovation, including electrification, autonomous vehicles and data connectivity; growing our brands; making tough, strategic decisions about the markets and products in which we will invest and compete; building profitable adjacent businesses; and targeting 10% core margins on an EBIT-adjusted basis.

COVID-19 and government actions and measures to prevent its spread continue to affect our operations and business in a number of significant ways. In response to COVID-19, we previously suspended the majority of our global manufacturing operations and our Automotive China JVs' manufacturing operations. By April 2020, we fully resumed our Automotive China JVs' manufacturing operations. Beginning in May 2020, we resumed our critical manufacturing operations in North America, and we continue to take actions to increase production and replenish dealer inventories. Government-imposed restrictions on businesses, operations and travel and the related economic uncertainty have impacted demand for our vehicles in most of our global markets. We expect COVID-19 to continue to materially impact our results of operations during the remainder of 2020. In response, we are executing a number of austerity measures, including aggressive actions to reduce costs, such as limiting advertising and other third-party spending, deferring salaried employee compensation and delaying non-critical projects, including certain future product programs. The extent of COVID-19's impact on our future operations and the demand for our products will depend upon, among other things, the duration, spread and intensity of the pandemic and related government responses such as required physical distancing, restrictions on business operations and travel, the pace of recovery of economic activity and the impact to consumers, all of which are uncertain and difficult to predict in light of the rapidly evolving landscape. Refer to Item 1A. Risk Factors for a full discussion of the risks associated with the COVID-19 pandemic.

We are committed to help reduce the supply shortage of necessary medical equipment arising from the COVID-19 pandemic, including manufacturing face masks beginning in March 2020 and collaborating with Ventec Life Systems to produce critical care ventilators in our U.S. facilities beginning in April 2020. We are providing our resources related to these initiatives at cost.

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 Item 1A. Risk Factors of our 2019 Form 10-K for a discussion of these challenges.

In November 2018, we announced plans to accelerate steps to improve our overall business performance, including the reorganization of global product development staffs, the realignment of manufacturing capacity in response to market-related volume declines in passenger cars and a reduction of our salaried workforce. We are on track for these transformation activities to drive between $5.5 billion and $6.0 billion of annual cash savings by the end of 2020, consisting of $4.0 billion to $4.5 billion in cost savings primarily from reductions in Automotive and other cost of sales in our condensed consolidated financial statements, with the remainder in reduced capital expenditures. We are on track to reduce capital expenditures from approximately $8.5 billion to approximately $7.0 billion on a normalized run-rate basis. 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. Capital spending originally expected to be incurred in 2020 will be re-timed to 2021, however over the two-year period we expect to maintain our normalized run-rate.

GMNA Industry sales in North America were 7.8 million units in the six months ended June 30, 2020, representing a decrease of 25.5% compared to the corresponding period in 2019. U.S. industry sales were 6.6 million units in the six months ended June 30, 2020, representing a decrease of 23.7% compared to the corresponding period in 2019. As described above, we expect COVID-19 to result in a significant contraction of total North America industry volumes in 2020. However, industry volumes will ultimately depend upon, among other things, the duration, spread and intensity of the pandemic, related government responses and economic recovery all of which are uncertain and difficult to predict in light of the rapidly evolving landscape.

Our total vehicle sales in the U.S., our largest market in North America, totaled 1.1 million units for market share of 16.8% in the six months ended June 30, 2020, representing an increase of 0.5 percentage points compared to the corresponding period in 2019. We continue to lead the U.S. industry in market share.

As discussed above, in response to COVID-19, we suspended production across our manufacturing facilities in the U.S., Canada and Mexico in March 2020. We gradually resumed critical manufacturing operations in North America beginning in May 2020 and reached production levels in line with industry demand in June 2020. We continue to follow physical distancing guidance, enhanced deep cleaning procedures and provide personal protective equipment to protect our employees.

The Unifor contract ratified in September 2016 covering certain hourly employees in Canada expires in September 2020. For discussion of the risks related to a significant labor disruption at one of our facilities, refer to Item 1A. Risk Factors of our 2019 Form 10-K.

GMI Industry sales in China were 10.2 million units in the six months ended June 30, 2020, representing a decrease of 19.3% compared to the corresponding period in 2019. Our total vehicle sales in China were 1.2 million units for market share of 11.5% in the six months ended June 30, 2020, representing a decrease of 0.9 percentage points compared to the corresponding period in 2019. The sales across all brands decreased in the six months ended June 30, 2020, compared to the corresponding period in 2019, primarily driven by an industry downturn significantly impacted by the COVID-19 pandemic. We expect both GM and industry sales to gradually recover as the impact of the COVID-19 pandemic in China subsides; however, the ongoing global macro-economic impact of COVID-19 and geopolitical tensions may continue to place pressure on China's automotive industry. Our Automotive China JVs generated equity income of $0.2 billion and an equity loss of $0.2 billion in the three months ended June 30, 2020 and March 31, 2020. A continuation of industry weakness and pricing pressures, a more challenging regulatory environment related to emissions, fuel consumption and new energy vehicles, and continued weakness in the Chinese Yuan against the U.S. Dollar will continue to place pressure on our operations in China. While we expect lower China equity income in the near term, we will continue to build upon our strong brands, network, and partnerships in China as well as continue to drive improvements in vehicle mix and cost.

Outside of China, industry sales were 9.5 million units in the six months ended June 30, 2020, representing a decrease of 27.0% compared to the corresponding period in 2019, primarily due to the ongoing global macro-economic impact of COVID-19. Our total vehicle sales outside of China were 0.5 million units for market share of 4.9% in the six months ended June 30, 2020, representing an increase of 0.3 percentage points compared to the corresponding period in 2019.

In the six months ended June 30, 2020, restructuring actions in GMI were related to the wind-down of Holden sales, design and engineering operations in Australia and New Zealand, with cessation of Holden vehicle sales by 2021, the execution of binding term sheets with Great Wall Motors to sell our vehicle and powertrain manufacturing facilities in Thailand, and the wind-down of our vehicle sales operations in Thailand, targeted for completion by the end of 2020. These actions were taken to strengthen the Company's core business and focus investment on other opportunities that will derive the greatest returns for shareholders and support investment in future technologies. We recorded charges of $0.6 billion in the six months ended June 30, 2020 and expect to incur additional charges of $0.4 billion in the six months ending December 31, 2020. We also recorded deferred tax charges of $0.2 billion in the six months ended June 30, 2020. We expect additional net cash outflows of approximately $0.2 billion, which includes expected proceeds of approximately $0.1 billion from the sale of our manufacturing facility in Thailand, to be substantially complete by the end of 2020. The charges will primarily be considered special for EBIT-adjusted, EPS-diluted-adjusted and adjusted automotive free cash flow purposes. We intend to continue to provide servicing and spare parts to customers for an extended period of time in Australia, New Zealand and Thailand. Refer to Note 17 to our condensed consolidated financial statements for additional information related to these restructuring actions.

Cruise We are actively testing our autonomous vehicles in the U.S. Gated by safety and regulation, we continue to make significant progress towards commercialization of a network of on-demand autonomous vehicles in the U.S.

Corporate Mark-to-market equity securities and warrants held by Corporate totaled $0.7 billion at June 30, 2020, a decrease of $0.8 billion from December 2019, due to the liquidation of our shares in Lyft and market price fluctuations. Market price changes of our PSA warrants generated unrealized losses of $0.3 billion in the six months ended June 30, 2020, compared to a gain of $0.2 billion in the corresponding period in 2019.

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, 2020, 32.3% 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, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
GMNA	331	78.6 %	870	77.1 %	1,106	79.8 %	1,729	77.7 %
GMI	90	21.4 %	259	22.9 %	281	20.2 %	495	22.3 %
Total	421	100.0 %	1,129	100.0 %	1,387	100.0 %	2,224	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, such as 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.

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, 2020			June 30, 2019			June 30, 2020			June 30, 2019		
	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share
North America												
United States	3,030	492	16.3 %	4,560	747	16.4 %	6,611	1,111	16.8 %	8,667	1,412	16.3 %
Other	492	73	14.7 %	977	129	13.2 %	1,198	173	14.5 %	1,816	239	13.1 %
Total North America	3,522	565	16.0 %	5,537	876	15.8 %	7,809	1,284	16.4 %	10,483	1,651	15.7 %
Asia/Pacific, Middle East and Africa												
China(a)	6,280	714	11.4 %	6,464	754	11.7 %	10,226	1,175	11.5 %	12,678	1,568	12.4 %
Other	3,299	130	4.0 %	5,245	145	2.8 %	8,208	275	3.3 %	10,886	277	2.6 %
Total Asia/Pacific, Middle East and Africa	9,579	844	8.8 %	11,709	899	7.7 %	18,434	1,450	7.9 %	23,564	1,845	7.8 %
South America												
Brazil	251	40	15.8 %	700	116	16.5 %	809	134	16.6 %	1,308	222	17.0 %
Other	138	17	12.4 %	374	46	12.4 %	445	55	12.3 %	769	96	12.4 %
Total South America	389	57	14.6 %	1,074	162	15.1 %	1,254	189	15.1 %	2,077	318	15.3 %
Total in GM markets	13,490	1,466	10.9 %	18,320	1,937	10.6 %	27,497	2,923	10.6 %	36,124	3,814	10.6 %
Total Europe	2,479	—	— %	5,145	1	— %	6,193	—	— %	10,081	2	— %
Total Worldwide(b)	15,969	1,466	9.2 %	23,465	1,938	8.3 %	33,690	2,923	8.7 %	46,205	3,816	8.3 %
United States												
Cars	671	37	5.5 %	1,263	107	8.5 %	1,559	109	7.0 %	2,442	223	9.1 %
Trucks	840	253	30.2 %	1,181	356	30.1 %	1,788	545	30.5 %	2,150	629	29.3 %
Crossovers	1,519	202	13.3 %	2,116	284	13.4 %	3,264	457	14.0 %	4,075	560	13.7 %
Total United States	3,030	492	16.3 %	4,560	747	16.4 %	6,611	1,111	16.8 %	8,667	1,412	16.3 %
China(a)												
SGMS		350			372			557			754	
SGMW		364			382			618			814	
Total China	6,280	714	11.4 %	6,464	754	11.7 %	10,226	1,175	11.5 %	12,678	1,568	12.4 %

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(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, 2020, we estimate we were the market share leader in North America and South America and had the number two market share in China.

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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
GMNA	70	207	269	397
GMI	47	127	126	219
Total fleet sales	117	334	395	616
Fleet sales as a percentage of total vehicle sales	8.0 %	17.2 %	13.5 %	16.2 %

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. Used vehicle prices for the six months ended June 30, 2020 decreased compared to the same period in 2019. Prices were heavily impacted by softening in the used vehicle market in late March and April, primarily due to impacts from the COVID-19 pandemic. Sales volume and pricing increased in May and June relative to April, primarily due to lower new vehicle inventory and strong demand for used vehicles. However, GM Financial's current outlook for used vehicle prices is consistent with industry forecasts of a 6% to 8% decrease in 2020 compared to 2019 due to expected continued impacts from the COVID-19 pandemic. Despite a very strong recovery from the lowest prices in April, used vehicle prices face headwinds in the second half of 2020; driven by increased supply due to: (1) increased off-lease supply from terminated leases that were extended; (2) sales of rental car fleets; (3) increased repossession activity; and (4) weaker dealer demand due to increases in new vehicle inventory and trade-in activity. Additional headwinds to used vehicle prices in the second half of 2020 include economic uncertainty, new vehicle incentive levels and normal seasonal pricing weakness. GM Financial updated residual value estimates as of March 31, 2020 based upon used vehicle market forecasts at that date and increased the depreciation rate for the three months ended June 30, 2020. GM Financial's residual value estimates as of June 30, 2020 are consistent with the prior quarter; therefore, we expect to record increased depreciation expense in the second half of 2020. If used vehicle prices outperform industry expectations, GM Financial may record increased gains on sales of off-lease vehicles due to lower net book values and/or decreased depreciation expense in future quarters. The following table summarizes the estimated residual value based on our 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, 2020			December 31, 2019		
	Residual Value	Units	Percentage	Residual Value	Units	Percentage
Crossovers	$ 15,752	966	63.2 %	$ 15,950	972	60.5 %
Trucks	7,021	280	18.3 %	7,256	288	18.0 %
SUVs	3,415	97	6.4 %	3,917	108	6.7 %
Cars	2,501	185	12.1 %	3,276	238	14.8 %
Total	$ 28,689	1,528	100.0 %	$ 30,399	1,606	100.0 %

GM Financial's penetration of our retail sales in the U.S. decreased to 49% in the six months ended June 30, 2020 from 50% in the corresponding period in 2019. 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 increased to 74% in the six months ended June 30, 2020 from 73% in the six months ended June 30, 2019. In the six months ended June 30, 2020, GM Financial's revenue consisted of leased vehicle income of 70%, retail finance charge income of 25% and commercial finance charge income of 3%.

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. Due to the uncertainty related to the COVID-19 pandemic, our results in the three and six months ended June 30, 2020 in revenues and costs may not be indicative of results for the remainder of 2020. Refer to the regional sections of this MD&A for additional information.

Total Net Sales and Revenue

	Three Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2020	June 30, 2019			Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	$ 11,604	$ 28,324	$ (16,720)	(59.0)%	$ (16.1)	$ (1.0)	$ 0.9	$ (0.5)
GMI	1,677	4,047	(2,370)	(58.6)%	$ (2.2)	$ 0.2	$ —	$ (0.4)
Corporate	80	54	26	48.1 %				$ —
Automotive	13,361	32,425	(19,064)	(58.8)%	$ (18.3)	$ (0.8)	$ 0.9	$ (0.9)
Cruise	28	25	3	12.0 %				$ —
GM Financial	3,423	3,639	(216)	(5.9)%				$ (0.2)
Eliminations/reclassifications	(34)	(29)	(5)	(17.2)%				$ —
Total net sales and revenue	$ 16,778	$ 36,060	$ (19,282)	(53.5)%	$ (18.3)	$ (0.8)	$ 0.9	$ (1.1)

	Six Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2020	June 30, 2019			Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	$ 37,435	$ 55,689	$ (18,254)	(32.8)%	$ (18.5)	$ (0.2)	$ 0.9	$ (0.5)
GMI	4,957	7,897	(2,940)	(37.2)%	$ (2.8)	$ 0.6	$ —	$ (0.7)
Corporate	118	100	18	18.0 %				$ —
Automotive	42,510	63,686	(21,176)	(33.3)%	$ (21.3)	$ 0.4	$ 1.0	$ (1.2)
Cruise	53	50	3	6.0 %				$ —
GM Financial	6,984	7,259	(275)	(3.8)%				$ (0.3)
Eliminations/reclassifications	(60)	(57)	(3)	(5.3)%		$ —		$ —
Total net sales and revenue	$ 49,487	$ 70,938	$ (21,451)	(30.2)%	$ (21.3)	$ 0.4	$ 1.0	$ (1.5)

Automotive and Other Cost of Sales

	Three Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2020	June 30, 2019			Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	$ 11,165	$ 24,371	$ 13,206	54.2 %	$ 11.7	$ 0.2	$ 1.5	$ (0.2)
GMI	2,015	3,633	1,618	44.5 %	$ 2.0	$ (0.2)	$ (0.3)	$ 0.2
Corporate	76	32	(44)	n.m.			$ (0.1)	$ —
Cruise	188	292	104	35.6 %			$ 0.1	$ —
Eliminations	—	(1)	(1)	n.m.			$ —	
Total automotive and other cost of sales	$ 13,444	$ 28,327	$ 14,883	52.5 %	$ 13.7	$ (0.1)	$ 1.2	$ 0.1

n.m. = not meaningful

	Six Months Ended		Favorable/ (Unfavorable)	%	Variance Due To			
	June 30, 2020	June 30, 2019			Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	$ 33,718	$ 49,342	$ 15,624	31.7 %	$ 13.5	$ (0.2)	$ 2.4	$ (0.1)
GMI	5,898	6,662	764	11.5 %	$ 2.5	$ (0.5)	$ (1.6)	$ 0.3
Corporate	183	67	(116)	n.m.			$ (0.1)	$ (0.1)
Cruise	371	487	116	23.8 %			$ 0.1	$ —
Eliminations	—	(2)	(2)	n.m.		$ —	$ —	
Total automotive and other cost of sales	$ 40,170	$ 56,556	$ 16,386	29.0 %	$ 16.0	$ (0.7)	$ 0.9	$ 0.2

n.m. = not meaningful

In the three months ended June 30, 2020, favorable Cost was primarily due to: (1) favorable cost of $0.9 billion primarily due to the impact of COVID-19, inclusive of the suspension of production and austerity measures as well as cost savings associated with transformation activities; (2) charges of $0.4 billion primarily related to supplier-related charges and accelerated depreciation resulting from transformation activities in 2019; and (3) decreased costs of $0.3 billion related to parts and accessories sales; partially offset by (4) a benefit of $0.4 billion related to the retrospective recoveries of indirect taxes in Brazil in 2019.

In the six months ended June 30, 2020, favorable Cost was primarily due to: (1) charges of $1.1 billion primarily related to accelerated depreciation and supplier-related charges resulting from transformation activities in 2019; (2) favorable cost of $1.0 billion primarily due to the impact of COVID-19, inclusive of the suspension of production and austerity measures as well as cost savings associated with transformation activities; and (3) decreased costs of $0.3 billion related to parts and accessories sales; partially offset by (4) a benefit of $1.2 billion related to the retrospective recoveries of indirect taxes in Brazil in 2019; and (5) 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 the six months ended June 30, 2020, favorable Other was due to the foreign currency effect resulting from the weakening of the Brazilian Real and other currencies against the U.S. Dollar.

Automotive and other selling, general and administrative expense

	Three Months Ended		Favorable/ (Unfavorable)	%	Six Months Ended		Favorable/ (Unfavorable)	%
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Automotive and other selling, general and administrative expense	$ 1,310	$ 2,102	$ 792	37.7 %	$ 3,280	$ 4,201	$ 921	21.9 %

In the three months ended June 30, 2020, Automotive and other selling, general and administrative expense decreased primarily due to decreased advertising and other costs of $0.8 billion primarily related to the impact of COVID-19, inclusive of austerity measures and cost savings associated with transformation activities.

In the six months ended June 30, 2020, Automotive and other selling, general and administrative expense decreased primarily due to decreased advertising and other costs of $0.9 billion primarily related to the impact of COVID-19, inclusive of austerity measures and cost savings associated with transformation activities.

Interest Income and Other Non-operating Income, net

	Three Months Ended		Favorable/ (Unfavorable)	%	Six Months Ended		Favorable/ (Unfavorable)	%
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Interest income and other non-operating income, net	$ 413	$ 364	$ 49	13.5 %	$ 724	$ 1,169	$ (445)	(38.1)%

In the three months ended June 30, 2020, Interest income and other non-operating income, net increased primarily due to gains related to PSA warrants and our investment in Lyft of $0.2 billion, partially offset by several other insignificant items.

In the six months ended June 30, 2020, Interest income and other non-operating income, net decreased primarily due to losses related to PSA warrants and lower gains in our investment in Lyft of $0.7 billion, partially offset by increased non-service pension income of $0.2 billion.

The following table summarizes gains (losses) related to our investment in Lyft and PSA warrants:

	Three Months Ended		Favorable/ (Unfavorable)	Six Months Ended		Favorable/ (Unfavorable)
	June 30, 2020	June 30, 2019		June 30, 2020	June 30, 2019	
Gains (losses) related to Lyft	$ 4	$ (65)	$ 69	$ 10	$ 220	$ (210)
Gains (losses) related to PSA warrants	114	32	82	(303)	171	(474)
Total gains (losses) on investments	$ 118	$ (33)	$ 151	$ (293)	$ 391	$ (684)

Income Tax Expense

	Three Months Ended		Favorable/ (Unfavorable)	%	Six Months Ended		Favorable/ (Unfavorable)	%
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Income tax expense (benefit)	$ (112)	$ 524	$ 636	n.m.	$ 245	$ 661	$ 416	62.9 %

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n.m. = not meaningful

In the three months ended June 30, 2020, Income tax expense decreased primarily due to lower pre-tax income.

In the six months ended June 30, 2020, Income tax expense decreased primarily due to lower pre-tax income, partially offset by establishment of a valuation allowance.

For the three and six months ended June 30, 2020, our ETR-adjusted was 14.6% and 23.2%.

Refer to Note 16 to our condensed consolidated financial statements for additional information related to Income tax expense.

GM North America

	Three Months Ended		Favorable / (Unfavorable)	%	Variance Due To				
	June 30, 2020	June 30, 2019			Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 11,604	$ 28,324	$ (16,720)	(59.0)%	$ (16.1)	$ (1.0)	$ 0.9		$ (0.5)
EBIT (loss)-adjusted	$ (101)	$ 3,022	$ (3,123)	n.m.	$ (4.4)	$ (0.8)	$ 0.9	$ 1.4	$ (0.2)
EBIT (loss)-adjusted margin	(0.9)%	10.7 %	(11.6)%						
	(Vehicles in thousands)								
Wholesale vehicle sales	331	870	(539)	(62.0)%					

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n.m. = not meaningful

	Six Months Ended		Favorable / (Unfavorable)	%	Variance Due To				
	June 30, 2020	June 30, 2019			Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 37,435	$ 55,689	$ (18,254)	(32.8)%	$ (18.5)	$ (0.2)	$ 0.9		$ (0.5)
EBIT-adjusted	$ 2,093	$ 4,918	$ (2,825)	(57.4)%	$ (4.9)	$ (0.4)	$ 0.9	$ 1.8	$ (0.3)
EBIT-adjusted margin	5.6 %	8.8 %	(3.2)%						
	(Vehicles in thousands)								
Wholesale vehicle sales	1,106	1,729	(623)	(36.0)%					

GMNA Total Net Sales and Revenue In the three months ended June 30, 2020, Total net sales and revenue decreased primarily due to: (1) decreased net wholesale volumes across most vehicle lines as a result of suspending production due to the COVID-19 pandemic; (2) unfavorable mix associated with decreased sales of full-size SUVs and pickup trucks partially offset by decreased sales of crossover vehicles and passenger cars; and (3) unfavorable Other primarily due to decreased sales of parts and accessories; partially offset by (4) favorable price primarily due to full-size pickup trucks and crossover vehicles.

In the six months ended June 30, 2020, Total net sales and revenue decreased primarily due to: (1) decreased net wholesale volumes across most vehicle lines as a result of suspending production due to the COVID-19 pandemic; (2) unfavorable mix associated with decreased sales of full-size SUVs and pickup trucks partially offset by decreased sales of crossover vehicles and passenger cars; and (3) unfavorable Other primarily due to decreased sales of parts and accessories; partially offset by (4) favorable price primarily due to crossover vehicles and full-size pickup trucks.

GMNA EBIT (Loss)-Adjusted In the three months ended June 30, 2020, EBIT-adjusted decreased primarily due to: (1) decreased net wholesale volumes; (2) unfavorable mix; and (3) unfavorable Other primarily due to the foreign currency effect resulting from the weakening of the Mexican Peso against the U.S. Dollar; partially offset by (4) favorable Cost due to savings in advertising of $0.5 billion, engineering of $0.4 billion and manufacturing of $0.4 billion, all inclusive of the suspension of production and austerity measures in response to the COVID-19 pandemic as well as transformation activities, and increased non-service pension income; and (5) favorable price.

In the six months ended June 30, 2020, EBIT-adjusted decreased primarily due to: (1) decreased net wholesale volumes; (2) unfavorable mix; and (3) unfavorable Other primarily due to the foreign currency effect resulting from the weakening of the Mexican Peso against the U.S. Dollar; partially offset by (4) favorable Cost due to savings in advertising of $0.6 billion, engineering of $0.5 billion and manufacturing of $0.4 billion, all inclusive of the suspension of production and austerity measures in response to the COVID-19 pandemic as well as transformation activities, increased non-service pension income of $0.2 billion and favorable material performance of $0.2 billion; and (5) favorable price.

GM International

	Three Months Ended		Favorable /	%	Variance Due To				
	June 30, 2020	June 30, 2019	(Unfavorable)		Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 1,677	$ 4,047	$ (2,370)	(58.6)%	$ (2.2)	$ 0.2	$ —		$ (0.4)
EBIT (loss)-adjusted	$ (270)	$ (48)	$ (222)	n.m.	$ (0.2)	$ —	$ —	$ 0.1	$ (0.1)
EBIT (loss)-adjusted margin	(16.1)%	(1.2)%	(14.9)%						
Equity income — Automotive China	*$ 169*	*$ 235*	*$ (66)*	*(28.1)%*					
EBIT (loss)-adjusted — excluding Equity income	*$ (439)*	*$ (283)*	*$ (156)*	*(55.1)%*					
	(Vehicles in thousands)								
Wholesale vehicle sales	90	259	(169)	(65.3)%					

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n.m. = not meaningful

	Six Months Ended		Favorable /	%	Variance Due To				
	June 30, 2020	June 30, 2019	(Unfavorable)		Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 4,957	$ 7,897	$ (2,940)	(37.2)%	$ (2.8)	$ 0.6	$ —		$ (0.7)
EBIT (loss)-adjusted	$ (821)	$ (17)	$ (804)	n.m.	$ (0.3)	$ —	$ 0.1	$ 0.1	$ (0.8)
EBIT (loss)-adjusted margin	(16.6)%	(0.2)%	(16.4)%						
Equity income — Automotive China	*$ 2*	*$ 611*	*$ (609)*	*(99.7)%*					
EBIT (loss)-adjusted — excluding Equity income	*$ (823)*	*$ (628)*	*$ (195)*	*(31.1)%*					
	(Vehicles in thousands)								
Wholesale vehicle sales	281	495	(214)	(43.2)%					

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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, 2020, Total net sales and revenue decreased primarily due to: (1) decreased wholesale volumes primarily due to lower industry volumes due to the COVID-19 pandemic primarily in Brazil and Asia/Pacific; and (2) unfavorable Other primarily due to the foreign currency effect resulting from the weakening of the Brazilian Real and Argentine Peso against the U.S. Dollar and decreased parts and accessories sales, partially offset by (3) favorable mix in Brazil partially offset by unfavorable mix in the Middle East.

In the six months ended June 30, 2020, Total net sales and revenue decreased primarily due to: (1) decreased wholesale volumes primarily due to lower industry volumes and the COVID-19 pandemic primarily in Brazil and Asia/Pacific; and (2) unfavorable Other primarily due to the foreign currency effect resulting from the weakening of the Brazilian Real and Argentine Peso against the U.S. Dollar and decreased parts and accessories sales, partially offset by (3) favorable mix in Brazil and Asia/Pacific.

GMI EBIT (Loss)-Adjusted In the three months ended June 30, 2020, EBIT (loss)-adjusted increased primarily due to unfavorable volume.

In the six months ended June 30, 2020, EBIT (loss)-adjusted increased primarily due to: (1) unfavorable volume; and (2) unfavorable Other primarily due to decreased equity income and the foreign currency effect resulting from the weakening of the Argentine Peso and other currencies against the U.S. Dollar; partially offset by (3) favorable Cost primarily due to decreased advertising.

We view the Chinese market as important to our global growth strategy and are employing a multi-brand strategy led by our Buick, Chevrolet and Cadillac brands. 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, with Baojun focusing its expansion in less developed cities and markets. 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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Wholesale vehicle sales, including vehicles exported to markets outside of China	733	731	1,075	1,587
Total net sales and revenue	$ 9,239	$ 9,002	$ 13,560	$ 19,148
Net income	$ 562	$ 499	$ 214	$ 1,266

Cruise

	Three Months Ended		Favorable / (Unfavorable)	%	Six Months Ended		Favorable / (Unfavorable)	%
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Total net sales and revenue(a)	$ 28	$ 25	$ 3	12.0 %	$ 53	$ 50	$ 3	6.0 %
EBIT (loss)-adjusted	$ (195)	$ (279)	$ 84	30.1 %	$ (423)	$ (448)	$ 25	5.6 %

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(a) 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, 2020 and 2019.

Cruise EBIT (Loss)-Adjusted In the three and six months ended June 30, 2020, EBIT (loss)-adjusted decreased primarily due to a reduction in development costs as we progress towards the commercialization of a network of on-demand autonomous vehicles in the U.S.

GM Financial

	Three Months Ended		Increase/ (Decrease)	%	Six Months Ended		Increase/ (Decrease)	%
	June 30, 2020	June 30, 2019			June 30, 2020	June 30, 2019		
Total revenue	$ 3,423	$ 3,639	$ (216)	(5.9)%	$ 6,984	$ 7,259	$ (275)	(3.8)%
Provision for loan losses	$ 327	$ 179	$ 148	82.7 %	$ 793	$ 354	$ 439	n.m.
EBT-adjusted	$ 226	$ 536	$ (310)	(57.8)%	$ 456	$ 895	$ (439)	(49.1)%
Average debt outstanding (dollars in billions)	$ 95.9	$ 92.5	$ 3.4	3.6 %	$ 92.4	$ 92.4	$ —	(0.1)%
Effective rate of interest paid	3.3 %	4.1 %	(0.8)%		3.5 %	4.1 %	(0.6)%	

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n.m. = not meaningful

GM Financial Revenue In the three months ended June 30, 2020, total revenue decreased primarily due to decreased leased vehicle income of $0.1 billion primarily due to a decrease in the leased vehicle portfolio and decreased commercial finance charge income of $0.1 billion due to a lower effective yield resulting from falling benchmark interest rates and a decrease in the commercial finance receivables portfolio as a result of GM suspending manufacturing operations due to the COVID-19 pandemic.

In the six months ended June 30, 2020 total revenue decreased primarily due to decreased leased vehicle income of $0.2 billion primarily due to a decrease in the leased vehicle portfolio and decreased investment income of $0.1 billion resulting from falling benchmark interest rates.

GM Financial EBT-Adjusted In the three months ended June 30, 2020, EBT-adjusted decreased primarily due to: (1) decreased leased vehicle income net of leased vehicle expenses of $0.3 billion primarily due to a decrease in the leased vehicle portfolio and an increase in the depreciation rate resulting from lowered residual value estimates on the lease portfolio; (2) increased provision for loan losses of $0.1 billion primarily due to increased expected charge-offs and decreased expected recoveries as a result of the economic impact of the COVID-19 pandemic, inclusive of new CECL standard impacts; partially offset by (3) decreased interest expense of $0.2 billion due to a lower effective rate of interest on debt resulting from falling benchmark interest rates, partially offset by an increase in the average debt outstanding.

In the six months ended June 30, 2020 EBT-adjusted decreased primarily due to: (1) increased provision for loan losses of $0.4 billion primarily due to increased expected charge-offs and decreased expected recoveries as a result of the economic impact of the COVID-19 pandemic, inclusive of new CECL standard impacts; (2) decreased leased vehicle income net of leased vehicle expenses of $0.2 billion primarily due to a decrease in the leased vehicle portfolio and an increase in the depreciation rate resulting from lowered residual value estimates on the lease portfolio; partially offset by (3) decreased interest expense of $0.3 billion due to a lower effective rate of interest on debt resulting from falling benchmark interest rates.

Liquidity and Capital Resources As described in the “Overview” section of this MD&A, the COVID-19 pandemic has had a material impact on our financial results and we expect it will continue to have a material impact on future periods, including our cash flows from operating activities and liquidity. The extent of COVID-19’s impact on our liquidity will depend upon, among other things, the duration, spread and intensity of the pandemic and related government responses such as required physical distancing, restrictions on business operations and travel, the pace of recovery of economic activity and the impact to consumers, all of which are uncertain and difficult to predict. Refer to Item 1A. Risk Factors for a full discussion of the risks associated with the COVID-19 pandemic.

In April and May 2020, to preserve financial flexibility in light of the current uncertainty in global markets resulting from the COVID-19 pandemic, we borrowed $15.9 billion under our revolving credit facilities, extended a portion of our revolving credit facilities for an additional year, issued $4.0 billion in senior unsecured notes and entered into a new unsecured 364-day, $2.0 billion revolving credit facility. See the "Automotive Liquidity" section of this MD&A for additional information on these liquidity actions. In response to the uncertainties created by the pandemic, we are executing a number of austerity measures to reduce costs, such as limiting advertising and other third-party spending, suspending our dividend on common shares, deferring salaried employee compensation and delaying non-critical projects, including certain future product programs.

Despite the negative impact COVID-19 continues to have on our liquidity, we believe our current levels of cash, cash equivalents, and marketable debt securities, which include the borrowings 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 ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide resulting from the ongoing COVID-19 pandemic.

Our known current and future material uses of cash relate to funding near-term operations through the current economic cycle including: (1) ongoing cash costs including payments associated with previously announced vehicle recalls, the settlements of the multi-district litigation and any other recall-related contingencies, payments to service debt and other long-term obligations, including repayment of amounts drawn on our revolving credit facilities and discretionary and mandatory contributions to our pension plans; and (2) capital expenditures and payments for engineering and product development activities, which we expect will be significantly less than previously forecasted for the remainder of 2020 due to our austerity measures. Our future uses of cash will be focused on the three objectives of our capital allocation program: (1) reinvest in 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, Item 1A. Risk Factors in this Form 10-Q and Item 1A. Risk Factors of our 2019 Form 10-K, some of which are outside of our control.

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 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. In response to the COVID-19 pandemic, we have taken immediate actions to provide for additional liquidity including drawing $15.9 billion on our revolving credit facilities and implementing austerity measures. In May 2020, we issued $4.0 billion in aggregate principal amount of senior unsecured notes with a weighted average interest rate of 6.11% and maturity dates ranging from 2023 to 2027. The notes are governed by a sixth supplemental indenture and the same base indenture that governs our existing notes, which contains terms and covenants customary for these types of securities, including a limitation on the amount of certain secured debt we may incur. The net proceeds from the issuance of these senior unsecured notes provides additional financial flexibility and will be used for general corporate purposes. In May 2020, we also entered into a new unsecured 364-day, $2.0 billion revolving credit facility as an additional source of available liquidity. We have changed the management of our liquidity by borrowing on our credit facilities, changing our investment portfolio composition and taking significant austerity measures to provide better flexibility in response to COVID-19; however, we have not significantly changed our investment guidelines since December 31, 2019.

We use credit facilities as a mechanism to provide additional flexibility in managing our global liquidity. We increased our automotive borrowing capacity under credit facilities from $17.5 billion at December 31, 2019 to $18.5 billion at June 30, 2020. At June 30, 2020 our automotive borrowing capacity under credit facilities consisted of four revolving credit facilities. These facilities consist of a three-year, $4.0 billion facility, a five-year, $10.5 billion facility, a three-year, $2.0 billion transformation facility and a new 364-day, $2.0 billion revolving credit facility entered into in May 2020. The three-year, $4.0 billion facility allows for borrowings in U.S. Dollars and other currencies and includes a letter of credit sub-facility of $1.1 billion. The five-year, $10.5 billion facility allows for borrowings in U.S. Dollars and other currencies. The three-year, $2.0 billion transformation facility and the new unsecured 364-day facility allow for borrowings in U.S. Dollars only. Total borrowing capacity under our automotive credit facilities does not include a 364-day, $2.0 billion facility designated for exclusive use by GM Financial, which allows for borrowings in U.S. Dollars only.

In April 2020, we renewed our 364-day, $2.0 billion facility designated for exclusive use by GM Financial for an additional 364-day term and extended $3.6 billion of the three-year, $4.0 billion facility for an additional year expiring in April 2022. The remaining portion will expire in April 2021, unless extended. As part of the extension of the three-year, $4.0 billion facility, we have agreed not to execute any share repurchases until we no longer have outstanding borrowings under the revolving credit facilities, except for the three-year, $2.0 billion transformation facility. In addition, we are restricted from paying dividends on our common shares if outstanding borrowings under the revolving credit facilities exceed $5.0 billion, with the exception of the three-year, $2.0 billion transformation facility.

In the six months ended June 30, 2020, we borrowed $3.4 billion against our three-year, $4.0 billion facility, $2.0 billion against our three-year, $2.0 billion transformation facility and $10.5 billion against our five-year, $10.5 billion facility to preserve financial flexibility in response to the current uncertainty in global markets and the adverse economic environment resulting from the COVID-19 pandemic. We did not have any borrowings against our facilities at December 31, 2019. We had letters of credit outstanding under our sub-facility of $0.3 billion and $0.2 billion at June 30, 2020 and December 31, 2019. Refer to Note 11 to our condensed consolidated financial statements for additional information on the contractual maturities of our debt obligations.

If available capacity permits, GM Financial has access to our automotive credit facilities, except for the three-year, $2.0 billion transformation facility. In addition, GM Financial has exclusive use of the 364-day, $2.0 billion facility that expires in April 2021. GM Financial did not have borrowings outstanding against any facilities at June 30, 2020 and December 31, 2019. We had intercompany loans from GM Financial of $1.4 billion, which primarily consisted of $0.9 billion in funding for subvention owed in the three months ended June 30, 2020 and $0.4 billion of commercial loans to dealers we consolidate at June 30, 2020 and $0.5 billion which primarily consisted of commercial loans to dealers we consolidate at December 31, 2019. We did not have intercompany loans to GM Financial. Refer to Note 5 of our condensed consolidated financial statements for additional information.

In the three and six months ended June 30, 2020, GM Financial's Board of Directors declared and paid dividends of $0.4 billion and $0.8 billion on its common stock. Future dividends from GM Financial will depend on several factors including business and economic conditions, its financial condition, earnings, liquidity requirements and leverage ratio. In addition, we expect to continue to receive dividends from our Automotive China JVs on a normal cadence.

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, investments with joint venture partners and strategic alliances that we believe would generate significant advantages and substantially strengthen our business.

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, 2020 and determined we are in compliance and expect to remain in compliance in the future.

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 as part of our common stock repurchase program. We have completed $1.7 billion of the $5.0 billion program through June 30, 2020. In April 2020 we agreed not to execute any share repurchases until we no longer have outstanding borrowings under the revolving credit facilities, except for the three-year, $2.0 billion transformation facility.

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

	June 30, 2020	December 31, 2019
Automotive cash and cash equivalents, net(a)	$ 20.0	$ 13.4
Marketable debt securities	8.3	3.9
Automotive cash, cash equivalents and marketable debt securities, net	28.3	17.3
Cruise cash and cash equivalents(b)	1.2	2.3
Cruise marketable debt securities(b)	1.0	0.3
Available liquidity	30.5	19.9
Available under credit facilities	2.3	17.3
Total available liquidity	$ 32.8	$ 37.2

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(a) Amount is net of $0.5 billion owed for unsettled marketable debt securities at June 30, 2020.
(b) 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, 2020
Operating cash flow	$ (7.7)
Capital expenditures	(2.3)
Dividends paid and payments to purchase common stock	(0.6)
Issuance of senior unsecured notes	4.0
Borrowings against credit facilities	15.9
Other non-operating(a)	1.7
Decrease in available credit facilities	(15.0)
Total change in automotive available liquidity	$ (4.0)

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(a) Amount includes $0.6 billion of proceeds from the sale of our remaining shares in Lyft and $0.9 billion in intercompany loans from GM Financial for subvention owed.

Automotive Cash Flow (dollars in billions)

	Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Operating Activities			
Net income (loss)	$ (0.5)	$ 4.2	$ (4.7)
Depreciation, amortization and impairment charges	2.8	3.8	(1.0)
Pension and OPEB activities	(0.8)	(0.9)	0.1
Working capital	(5.8)	(4.6)	(1.2)
Accrued and other liabilities and income taxes	(4.9)	—	(4.9)
Other	1.5	(0.9)	2.4
Net automotive cash provided by (used in) operating activities	$ (7.7)	$ 1.6	$ (9.3)

In the six months ended June 30, 2020, the decrease in Net automotive cash provided by (used in) operating activities was primarily due to: (1) lower pre-tax earnings of $5.1 billion, the unwind of sales incentives of $4.4 billion, and the unwind of working capital, all impacted unfavorably by COVID-19; (2) lower dividends received from our nonconsolidated affiliates of $0.4 billion; partially offset by (3) dividends received from GM Financial of $0.8 billion; and (4) several other insignificant items.

	Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Investing Activities			
Capital expenditures	$ (2.3)	$ (3.4)	$ 1.1
Acquisitions and liquidations of marketable securities, net(a)	(3.3)	(0.1)	(3.2)
GM investment in Cruise	—	(0.7)	0.7
Other	—	0.1	(0.1)
Net automotive cash used in investing activities	$ (5.6)	$ (4.1)	$ (1.5)

(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, 2020, capital expenditures decreased due to the delay of non-critical projects, including certain future product programs, in response to the COVID-19 pandemic. Cash used in acquisitions and liquidations of marketable securities, net increased due to the increased purchases of marketable securities with proceeds from the issuance of debt in response to the COVID-19 pandemic.

	Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Financing Activities			
Borrowings against credit facilities	$ 15.9	$ 0.7	$ 15.2
Net proceeds from short-term debt(a)	1.6	0.8	0.8
Issuance of senior unsecured notes	4.0	—	4.0
Dividends paid and payments to purchase common stock	(0.6)	(1.1)	0.5
Other	(0.3)	(0.3)	—
Net automotive cash provided by financing activities	$ 20.6	$ 0.1	$ 20.5

(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. For 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.

For the six months ended June 30, 2019, net automotive cash provided by operating activities under U.S. GAAP was $1.6 billion, capital expenditures were $3.4 billion, and an adjustment for management actions related to transformation activities primarily in GMNA was $0.5 billion.

Status of Credit Ratings We receive ratings from four independent credit rating agencies: DBRS Limited (DBRS), Fitch Ratings (Fitch), Moody's Investor Service (Moody's) and Standard & Poor's (S&P). All four credit rating agencies currently rate our corporate credit at investment grade. The following table summarizes our credit ratings at July 15, 2020:

	Corporate	Revolving Credit Facilities	Senior Unsecured	Outlook
DBRS	BBB	BBB	N/A	Negative
Fitch	BBB-	BBB-	BBB-	Stable
Moody's	Investment Grade	Baa2	Baa3	Negative
S&P	BBB	BBB	BBB	Credit watch with negative implications

Rating actions taken by each of the credit rating agencies from January 1, 2020 through July 15, 2020 were as follows: (1) S&P revised their outlook to Credit watch with negative implications from Stable in March 2020; (2) Moody's revised their outlook to Under review for downgrade from Stable in March 2020; confirmed our ratings and revised their outlook to Negative from Under review for downgrade in May 2020; (3) DBRS revised their outlook to Under review with negative implications from Stable in March 2020; downgraded our ratings to BBB from BBB (high) and revised their outlook to Negative from Under review with negative implications in June 2020; and (4) Fitch downgraded our ratings to BBB- from BBB in May 2020.

Cruise Liquidity The changes in our Cruise available liquidity in the six months ended June 30, 2020 were primarily driven by operating cash flow. When Cruise's autonomous vehicles are ready for commercial deployment, The Vision Fund is obligated to purchase additional Cruise convertible preferred shares for $1.35 billion.

Cruise Cash Flow (dollars in billions)

	Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Net cash used in operating activities	$ (0.4)	$ (0.4)	$ —
Net cash used in investing activities	$ (0.7)	$ (0.9)	$ 0.2
Net cash provided by financing activities	$ —	$ 1.1	$ (1.1)

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 of retail finance receivables and leased vehicles, the funding of commercial finance receivables, repayment of secured and unsecured debt, funding credit enhancement requirements in connection with securitizations and secured credit facilities, interest costs, and operating expenses. 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, 2020	December 31, 2019
Cash and cash equivalents	$ 6.5	$ 3.3
Borrowing capacity on unpledged eligible assets	15.2	17.5
Borrowing capacity on committed unsecured lines of credit	0.4	0.3
Borrowing capacity on revolving credit facility, exclusive to GM Financial	2.0	2.0
Total GM Financial available liquidity(a)	$ 24.0	$ 23.1

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(a) Amounts may not sum due to rounding.

At June 30, 2020, GM Financial's available liquidity increased from December 31, 2019 due to an increase in cash and cash equivalents and a decrease in borrowing capacity. GM Financial increased utilization of credit facilities in the three months ended March 31, 2020 to preserve financial flexibility in response to uncertainty in global capital markets and weak economic environment resulting from the COVID-19 pandemic. The composition of liquidity has shifted back towards borrowing capacity during the three months ended June 30, 2020, and GM Financial expects the composition of liquidity to revert to historical levels of cash and cash equivalents and borrowing capacity over time. 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.

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, 2020 and December 31, 2019. 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, 2020 secured, committed unsecured and uncommitted unsecured credit facilities totaled $25.5 billion, $0.4 billion and $1.8 billion with advances outstanding of $7.6 billion, $0.1 billion and $1.8 billion.

GM Financial Cash Flow (dollars in billions)

	Six Months Ended		
	June 30, 2020	**June 30, 2019**	**Change**
Net cash provided by operating activities	$ 4.1	$ 4.3	$ (0.2)
Net cash used in investing activities	$ (3.2)	$ (4.3)	$ 1.1
Net cash provided by (used in) financing activities	$ 3.0	$ (0.8)	$ 3.8

In the six months ended June 30, 2020, Net cash provided by operating activities decreased primarily due to a decrease in revenue and collateral posting activities, partially offset by a decrease in interest paid.

In the six months ended June 30, 2020, Net cash used in investing activities decreased primarily due to: (1) a decrease in purchases of leased vehicles of $2.1 billion; and (2) increased collections, and recoveries on finance receivables of $1.2 billion; partially offset by (3) increased purchases of finance receivables of $1.3 billion, inclusive of a net change in funding to Automotive for subvention of $0.9 billion; and (4) a decrease in proceeds from the termination of leased vehicles of $0.9 billion.

In the six months ended June 30, 2020, Net cash provided by financing activities increased primarily due to an increase in borrowings of $13.4 billion partially offset by an increase in debt repayments of $8.8 billion and dividend payments of $0.8 billion.

Contractual Obligations and Other Long-Term Liabilities We have minimum commitments under contractual obligations, including purchase obligations. A purchase obligation is defined as an agreement to purchase goods or services that is enforceable and legally binding on us and that specifies all significant terms, including fixed or minimum quantities to be purchased or fixed minimum price provisions and the approximate timing of the transaction. Based on these definitions, the following table includes only those contracts that include fixed or minimum obligations. The majority of our purchases are not included in the table as they are made under purchase orders that are requirements-based and accordingly do not specify minimum quantities. The following table summarizes aggregated information about our outstanding contractual obligations and other long-term liabilities at June 30, 2020:

	Payments Due by Period					
	July 1, 2020 to December 31, 2020	2021	2022-2023	2024-2025	2026 and after	Total
Automotive debt	$ 1,424	$ 1,825	$ 18,096	$ 2,579	$ 11,107	$ 35,031
Automotive Financing debt	21,693	27,507	24,207	12,435	5,941	91,783
Finance lease obligations	65	82	68	27	97	339
Automotive interest payments(a)	590	1,212	2,032	1,525	8,581	13,940
Automotive Financing interest payments(b)	2,082	1,848	2,081	866	348	7,225
Postretirement benefits(c)	182	233	462	—	—	877
Operating lease obligations	125	240	383	265	389	1,402
Other contractual commitments:						
Material	969	465	135	72	21	1,662
Marketing	312	253	94	8	—	667
Other (d)	578	783	1,475	198	184	3,218
Total contractual commitments(e)	$ 28,020	$ 34,448	$ 49,033	$ 17,975	$ 26,668	$ 156,144
Non-contractual benefits(f)	$ 153	$ 272	$ 489	$ 915	$ 9,382	$ 11,211

(a) Amounts include automotive interest payments based on contractual terms and current interest rates on our debt and finance lease obligations. Automotive interest payments based on variable interest rates were determined using the interest rate in effect at June 30, 2020.
(b) GM Financial interest payments were determined using the interest rate in effect at June 30, 2020 for floating rate debt and the contractual rates for fixed rate debt. GM Financial interest payments on floating rate tranches of the securitization notes payable were converted to a fixed rate based on the floating rate plus any expected hedge payments.
(c) Amounts include OPEB payments under the contract term of the current labor agreements in North America and do not include pension funding obligations.
(d) Amounts include $0.9 billion related to committed capital contributions to a non-consolidated VIE.
(e) Amounts do not include future cash payments for purchase obligations and certain other accrued expenditures (unless listed in the table above) that were recorded in Accounts payable, Accrued liabilities and Other liabilities in our condensed consolidated financial statements at June 30, 2020.
(f) Amounts include all expected future payments for both current and expected future service at June 30, 2020 for OPEB obligations for salaried and hourly employees extending beyond the current North American union contract agreements, workers' compensation and extended disability benefits. Amounts do not include pension funding obligations.

The table above does not reflect product warranty and related liabilities, certified pre-owned, extended warranty and free maintenance of $7.8 billion and unrecognized tax benefits of $0.7 billion due to the uncertainty regarding the future cash outflows potentially associated with these amounts. In addition, future cash outflows related to previously announced restructuring actions are not included in the table above. Refer to Note 17 of our condensed consolidated financial statements for additional information.

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 2019 Form 10-K, as supplemented by the subsequent discussions of the allowance for loan losses on GM Financial receivables and the residual value of GM Financial leased vehicles.

GM Financial Allowance for Loan Losses Refer to Note 2 to our condensed consolidated financial statements for additional information regarding our allowance for loan losses on retail and commercial finance receivables. The GM Financial retail finance receivables portfolio consists of smaller-balance, homogeneous loans that are carried at amortized cost, net of allowance for loan losses. The allowance for loan losses on retail finance receivables reflects net credit losses expected to be incurred over the remaining life of the retail finance receivables. We believe that the allowance is adequate to cover expected credit losses on the retail finance receivables; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase.

During the six months ended June 30, 2020, GM Financial updated the forecast of economic factors for potential impacts from the COVID-19 pandemic. In addition, GM Financial lowered the forecast of expected recovery rates on repossessions. In aggregate, these updates resulted in an increase in the allowance for loan losses on the GM Financial retail finance receivables portfolio of $0.1 billion and $0.3 billion for the three and six months ended June 30, 2020. Actual economic data and recovery rates that are lower than those we forecast would result in an increase to the allowance for loan losses.

The GM Financial commercial finance receivables portfolio consists of floorplan financing as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate. The allowance for loan losses on commercial finance receivables is also based on estimates that, effective January 1, 2020, include historical loss experience for the consolidated portfolio, as well as the forecast for industry vehicle sales. There can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase.

Residual Value of GM Financial Leased Vehicles At June 30, 2020, the estimated residual value of GM Financial's leased vehicles at the end of the lease term was $28.7 billion. Depreciation reduces the carrying value of each leased asset in GM Financial's operating lease portfolio over time from its original acquisition value to its expected residual value at the end of the lease term. GM Financial reviewed the lease portfolio for indicators of impairment and determined that no impairment indicators were present at June 30, 2020. GM Financial updated residual value estimates on the lease portfolio to reflect the decrease in forecasted used vehicle prices due to economic impacts from the COVID-19 pandemic and will record increased depreciation expense over the remaining term of the portfolio. If used vehicle prices decrease further, GM Financial would further increase depreciation expense and/or record an impairment charge on the lease portfolio. If an impairment exists, GM Financial would determine any shortfall in recoverability of the leased vehicle asset groups by year, make and model. Recoverability is calculated as the excess of: (1) the sum of remaining lease payments plus estimated residual value; over (2) leased vehicles, net less deferred revenue. Alternatively, if used vehicle prices outperform our estimates, GM Financial would record increased gains on sales of off-leased vehicles and/or decreased depreciation expense.

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 events or financial results, and our actual results may differ materially due to a variety of important factors, both positive and negative. 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 in the automotive industry; (2) our ability to timely fund and introduce new and improved vehicle models that are able to attract a sufficient number of consumers; (3) the success of our crossovers, SUVs and full-size pickup trucks; (4) 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; (5) our ability to reduce the cost of manufacturing electric vehicles and drive increased consumer adoption; (6) the unique technological, operational, regulatory and competitive risks related to the timing and commercialization of autonomous vehicles; (7) global automobile market sales volume, which can be volatile; (8) our significant business in China, which is subject to unique operational, competitive, regulatory and economic risks; (9) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (10) 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 foreign countries, differing local product preferences and product requirements, 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; (11) any significant disruption, including any work stoppages, at any of our manufacturing facilities; (12) the ability of our suppliers to deliver parts, systems and components without disruption and at such times to allow us to meet production schedules; (13) prices of raw materials used by us and our suppliers; (14) 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; (15) 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; (16) 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; (17) 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; (18) 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; (19) costs and risks associated with litigation and government investigations; (20) the costs and effect on our reputation of product safety recalls and alleged defects in products and services; (21) any additional tax expense or exposure; (22) our continued ability to develop captive financing capability through GM Financial; (23) any significant increase in our pension funding requirements; and (24) the ongoing COVID-19 pandemic. A further list and description of these risks, uncertainties and other factors can be found in our 2019 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, 2019. For further discussion on market risk, refer to Item 7A of our 2019 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) at June 30, 2020 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 at June 30, 2020.

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, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, due to the COVID-19 global 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 Item 1A. Risk Factors.

* * * * * * *

PART II

Item 1. Legal Proceedings

The discussion under "Litigation-Related Liability and Tax Administrative Matters" in Note 15 to our condensed consolidated financial statements is incorporated by reference into this Part II – Item 1.

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Item 1A. Risk Factors

The COVID-19 pandemic may continue to disrupt our business and operations, which could materially adversely impact our business, financial condition, liquidity and results of operations. Pandemics, epidemics or disease outbreaks in the U.S. or globally may continue to disrupt our business, which could materially affect our results of operations, financial condition, liquidity and future expectations. In January 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency and in March 2020 declared it a global pandemic. The outbreak has since spread globally and has caused significant disruption to the global economy, including the automotive industry. We responded by implementing work-from-home protocols for employees who can work remotely and systematically suspending the majority of our global manufacturing operations. By April 2020, we fully resumed our Automotive China JVs' manufacturing operations. Beginning in May 2020, we resumed our critical manufacturing operations in North America, and we continue to take actions to increase production and replenish dealer inventories. Our manufacturing operations resumed production under enhanced public health procedures, including temperature screening of employees before entry into facilities, shift adjustments to allow for physical distancing, deep cleaning of facilities after each shift, and the provision of personal protective equipment.

The COVID-19 pandemic has had a material impact on our business as discussed in detail in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. However, the full extent to which the COVID-19 pandemic will impact our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak or subsequent outbreaks, which may cause us to again suspend our global manufacturing operations. In particular, if COVID-19 continues to spread or re-emerges, particularly in North America where our profits are most concentrated, resulting in a prolonged period of travel, commercial, social and other similar restrictions, we could experience among other things: (1) global supply disruptions; (2) labor disruptions; (3) an inability to manufacture; (4) an inability to sell to our customers; (5) a decline in showroom traffic and customer demand during and following the pandemic; (6) customer defaults on automobile loans and leases; (7) lower than expected pricing on vehicles sold at auction; and (8) an impaired ability to access credit and the capital markets. We may also be subject to enhanced legal risks, including potential litigation related to the COVID-19 pandemic. Further, we expect the COVID-19 pandemic, and the related adverse economic impact, will result in a significant contraction of total industry volumes in 2020. We also have substantial cash requirements going forward, including: (1) ongoing cash costs including payments associated with previously announced vehicle recalls, the settlements of the multi-district litigation and any other recall-related contingencies, payments to service debt and other long-term obligations, including repayment of amounts drawn on our revolving credit facilities and mandatory contributions to our pension plans; and (2) capital expenditures and payments for engineering and product development activities. We cannot predict with confidence whether our current liquidity will be sufficient to fund our ongoing needs because the duration of the COVID-19 pandemic and the extent to which it will impact our operations is highly uncertain and will depend on future developments. Any resulting financial impact cannot be reasonably estimated at this time, but the COVID-19 pandemic could continue to have a material impact on our business, financial condition and results of operations. For a further discussion of the impact of COVID-19 on our liquidity, refer to the "Liquidity and Capital Resources" section in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

As the COVID-19 pandemic continues to adversely affect our operating and financial results, it may also heighten many of the other risks described in Item 1A. Risk Factors in our 2019 Form 10-K. In particular, see the risk factors regarding global automobile sales volumes, scale and footprint of our operations, disruptions at our manufacturing facilities, disruptions in our suppliers' operations, and reliance on GM Financial.

* * * * * * *

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, 2020:

	Total Number of Shares Purchased(a)(b)	Weighted Average Price Paid per Share	Total Number of Shares Purchased Under Announced Programs(b)	Approximate Dollar Value of Shares That May Yet be Purchased Under Announced Programs
April 1, 2020 through April 30, 2020	51,252	$ 22.25	—	$3.3 billion
May 1, 2020 through May 31, 2020	—	$ —	—	$3.3 billion
June 1, 2020 through June 30, 2020	—	$ —	—	$3.3 billion
Total	51,252	$ 22.25	—	

____

(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, PSUs and Restricted Stock Awards relating to compensation plans. Refer to our 2019 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. In April 2020 we agreed not to execute any share repurchases until we no longer have outstanding borrowings under the revolving credit facilities, except for the three-year, $2.0 billion transformation facility.

* * * * * * *

Item 6. Exhibits

Exhibit Number	Exhibit Name	
3.1	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	Incorporated by Reference
3.2	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	Incorporated by Reference
4.1	Sixth Supplemental Indenture, dated as of May 12, 2020, to the Indenture, dated as of September 27, 2013, between General Motors Company, as issuer, and The Bank of New York Mellon, as Trustee, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of General Motors Company filed May 12, 2020	Incorporated by Reference
10.1	Second 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 10.1 to the Current Report on Form 8-K of General Motors Company filed April 17, 2020	Incorporated by Reference
10.2	Amendment No. 1, dated April 24, 2020, to Third Amended and Restated 3-Year Revolving Credit Agreement, dated April 18, 2018, 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 27, 2020	Incorporated by Reference
10.3	364-Day Revolving Credit Agreement, dated May 13, 2020, by and among General Motors Company, 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 of the Current Report on Form 8-K of General Motors Company filed May 13, 2020	Incorporated by Reference
10.4*	General Motors Company 2020 Long-Term Incentive Plan, incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 of General Motors Company filed June 25, 2020	Incorporated by Reference
10.5*	Form of Restricted Stock Unit Award Agreement under the General Motors Company 2017 Long-Term Incentive Plan	Filed Herewith
31.1	Section 302 Certification of the Chief Executive Officer	Filed Herewith
31.2	Section 302 Certification of the Chief Financial Officer	Filed Herewith
32	Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	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, 2020, 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, 2020, formatted as Inline XBRL and contained in Exhibit 101	Filed Herewith

* Management contracts or compensatory plans and arrangements.

* * * * * * *

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: July 29, 2020

Exhibit 10.5

General Motors Company
2017 Long-Term Incentive Plan
Award Document for [Insert Date] Grant

Private and Confidential

[Name]

This letter ("**Award Document**") describes the details under which you are being granted an Award of Restricted Stock Units ("**RSUs**") under the General Motors Company 2017 Long-Term Incentive Plan (as amended from time to time, the "**Plan**").

A copy of the Plan can be found on the Solium Shareworks site. Capitalized terms used in this Award Document have the meanings given in the Plan unless noted otherwise.

The full terms of your Award are set out in this Award Document, the Plan and any policy adopted by the Committee in respect of the Plan and Awards thereunder that is applicable to this Award. In the event of any conflict between this Award Document and the Plan, the terms of this Award Document shall prevail.

Terms of this Award

Issuer	General Motors Company, a Delaware corporation
Number of RSUs Granted to You	[Insert Number] RSUs
Grant Date	[Insert Date]
Vesting Commencement Date	[Insert Date]
Settlement Conditions and Settlement Date	Except as provided below, 100% of the granted RSUs will vest and settle on [Insert Date] ("**Settlement Date**"). If you experience a Termination of Service prior to the Settlement Date, your Award may be prorated. The pro-rata portion of the Award that is retained shall continue to vest in accordance with the existing vesting schedule, with the remaining portion of the Award being forfeited. The retained pro-rata portion of the Award is determined as follows: [Insert Pro-Ration Calculation] If the Settlement Date falls on a non-trading day of the New York Stock Exchange, then the preceding trading day's closing price will be used to determine the Fair Market Value of the Shares to be settled (subject to applicable withholding).
Effect of Termination of Service on Award	Death – The full Award immediately vests and will be settled as soon as practicable. Disability – The Award continues to vest and remains subject to all conditions of the grant. All Other Terminations – The Award may be pro-rated, as provided above under Settlement Conditions and Settlement Date. NOTE: This provision shall prevail over any contrary terms in the Plan.

Form of Settlement	Your Award will be settled in shares of common stock of the Company ("**Shares**"). Each RSU will be settled for one Share. Vested RSUs shall convey the right to receive dividend equivalents on the Shares underlying the RSU Award with respect to any dividends declared during the period from Vesting Commencement Date to Settlement Date. Accumulated dividend equivalents shall vest and be paid in cash on the Settlement Date, subject to the satisfaction of the vesting and other conditions of the underlying RSU Award. No dividend equivalents shall be provided with respect to any Shares subject to RSUs that do not vest or settle pursuant to their terms. Notwithstanding the forgoing and the terms of the Plan, the Company reserves the right to further modify the form of settlement of your Award. For example, **if you are a local national of the People's Republic of China ("PRC")**, your RSUs will only be settled by a cash payment to you equal to the Fair Market Value of the Shares that would otherwise be settled (subject to applicable withholding). **If your work location at the time of any Settlement Date noted above is in India**, your RSUs will also only be settled by a cash payment to you equal to the Fair Market Value of the Shares that would otherwise be settled (subject to applicable withholding). Your RSUs will not be settled by the issue of any Shares unless your work location changes to a jurisdiction that permits settlement in Shares. As required by law, the Company will withhold any applicable federal, state, local or foreign tax. You are responsible for any taxes due upon vesting and/or settlement.
Conditions Precedent	Pursuant and subject to Section 11 of the Plan, as a condition precedent to the vesting and/or settlement of any portion of your Award, you shall: • Refrain from engaging in any activity which will cause damage to the Company or is in any manner inimical or in any way contrary to the best interests of the Company, as determined pursuant to the Plan; • Not for a period of 12 months following any voluntary termination of employment or service, directly or indirectly, knowingly induce any employee of the Company or any Subsidiary to leave their employment for participation, directly or indirectly, with any existing or future employer or business venture associated with you; and • Furnish to the Company such information with respect to the satisfaction of the foregoing conditions precedent as the Committee may reasonably request. In addition, the Committee may require you to enter into such agreements as the Committee considers appropriate. Your failure to satisfy any of the foregoing conditions precedent will result in the immediate cancellation of the unvested portion of your Award and any vested portion of your Award that has not yet been settled, and you will not be entitled to receive any consideration with respect to such cancellation.
Other Terms and Conditions of the Award	Refer to the Plan for additional terms and conditions applicable to your Award.

Additional Acknowledgments

The following additional terms apply to your Award, your participation in the Plan and the grant of RSUs (and issuance of any Shares) to you. By accepting the Award you irrevocably agree and acknowledge in favor of the Company (on its own behalf and as an agent for the Subsidiaries) that:

a) To enable the Company to issue you this Award, and administer the Plan and any Award, you consent to the holding and processing of personal information provided by you to the Company or any Subsidiary, trustee or third party service provider, for all purposes relating to the operation of the Plan in accordance with Section 20 of the Plan.

b) You will not have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, consultants, advisors, Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a single, voluntary grant and does not constitute a promise, a contractual right or other right to receive future grants. The Committee maintains the right to make available future grants under the Plan.

c) The grant of this Award does not give you the right to be retained in the employ of, or to continue to provide services to, the Company or any Subsidiary. The Company or the applicable Subsidiary may at any time dismiss you, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any other agreement binding you and the Company or the applicable Subsidiary. Your receipt of this Award under the Plan is not intended to confer any rights on you except as set forth in this Award Document or in the Plan.

d) Unless otherwise required by law, this Award under, and your participation in, the Plan does not form part of your remuneration for the purposes of determining payments in lieu of notice of termination of your employment of office, severance payments, leave entitlements, or any other compensation payable to you and no Award, payment, or other right or benefit, under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit-sharing, group insurance, welfare or benefit plan of the Company or any of the Subsidiaries.

e) Any portion of this Award that becomes non-forfeitable will be subject to the U.S. Federal Insurance Contributions Act ("FICA") tax before settlement.

f) The Company and the Subsidiaries, their respective affiliates, officers and employees make no representation concerning the financial benefit or taxation consequences of any Award or participation in the Plan and you are strongly advised to seek your own professional legal and taxation advice concerning the impact of the Plan and your Award.

g) The future value of the underlying Shares is unknown and cannot be predicted with certainty and the Shares may increase or decrease in value.

h) You will have no claim or entitlement to compensation or damages arising from the forfeiture of the RSUs, the termination of the Plan, or the diminution in value of the RSUs or Shares, including, without limitation, as a result of the termination of your employment by the Company or any Subsidiary for any reason whatsoever and whether or not in breach of contract. You irrevocably release the Company, its Subsidiaries, Affiliates, the Plan Administrator and their affiliates from any such claim that may arise.

i) The Company has adopted a stock ownership requirement policy, and if your position is covered, you shall be subject to and comply with this policy as may be in effect from time to time.

j) If any term of this Award is determined to be unenforceable as written by a court of competent jurisdiction, you acknowledge and agree that such term shall be adjusted to the extent determined by the court to achieve the intent of the Company in imposing such term and if the court determines that such term cannot be reformed to achieve the intent of the Company, then the elimination of the pertinent provisions of that term shall not otherwise impact the enforceability of the other terms of this Award.

k) You agree this Plan and this Award are governed by the laws of the State of Delaware, without regard to the conflicts of law provisions thereof, and further consent to the exclusive personal jurisdiction and venue of the Chancery Court of the State of Delaware and the United States District Court for the District of Delaware for any action, claim or dispute arising out of or relating to this Award, the Plan or the subject matter contained in this Award Document. The Company will make reasonable efforts so that the Award complies with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Award Document, the RSUs shall not be settled if the settlement thereof would result in a violation of any such law.

l) Nothing in this Award Document will be construed as requiring a forfeiture or otherwise prohibiting you from fully and truthfully cooperating with any investigation or engaging in any other conduct protected by U.S. law.

m) You have read this Award Document and the Plan carefully and understand their terms. By indicating your acceptance of these terms, you are expressly accepting the terms and conditions of the Award, and the Company may rely on your acceptance.

Acceptance of Offer

To accept this offer you will need to follow the link at the bottom of this page. Your electronic acceptance confirms the following:

I confirm that I have been given a copy of this Award Document and access to the Plan, and that having read both documents I irrevocably agree to:

a) Accept the RSUs (and any Shares) that are issued by the Company to me in accordance with the terms of the Plan and this Award Document; and
b) Be bound by and abide by the terms of this Award Document and the Plan.

If you do not accept this Award by [Insert Date], this offer will lapse and be incapable of acceptance (unless otherwise agreed to by the Company).

If you have any questions concerning this offer or the Plan, please contact [Insert Contact Information].

Exhibit 31.1

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
Chairman and Chief Executive Officer

Date: July 29, 2020

Exhibit 31.2

CERTIFICATION

I, Dhivya Suryadevara, 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/ DHIVYA SURYADEVARA

Dhivya Suryadevara
Executive Vice President and Chief Financial Officer

Date: July 29, 2020

Exhibit 32

**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, 2020 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
Chairman and Chief Executive Officer

/s/ DHIVYA SURYADEVARA
Dhivya Suryadevara
Executive Vice President and Chief Financial Officer

Date: July 29, 2020