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 September 30, 2021

OR

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

For the transition period from to

Commission file number 001-34960

GENERAL MOTORS COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**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)

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 October 12, 2021 there were 1,451,860,294 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		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net sales and revenue				
Automotive	$ 23,426	$ 32,067	$ 83,237	$ 74,580
GM Financial	3,353	3,413	10,183	10,387
Total net sales and revenue (Note 2)	26,779	35,480	93,420	84,967
Costs and expenses				
Automotive and other cost of sales	20,672	27,169	73,053	67,339
GM Financial interest, operating and other expenses	2,314	2,259	6,487	8,853
Automotive and other selling, general and administrative expense	2,148	1,628	6,076	4,908
Total costs and expenses	25,134	31,056	85,616	81,100
Operating income	1,645	4,424	7,804	3,867
Automotive interest expense	230	327	723	823
Interest income and other non-operating income, net	800	499	2,383	1,223
Equity income (Note 7)	323	309	1,015	389
Income before income taxes	2,538	4,905	10,479	4,656
Income tax expense (Note 14)	152	887	2,300	1,132
Net income	2,386	4,018	8,179	3,524
Net loss attributable to noncontrolling interests	34	27	99	57
Net income attributable to stockholders	$ 2,420	$ 4,045	$ 8,278	$ 3,581
Net income attributable to common stockholders	$ 2,375	$ 4,005	$ 8,141	$ 3,446
Earnings per share (Note 17)				
Basic earnings per common share	$ 1.64	$ 2.80	$ 5.61	$ 2.41
Weighted-average common shares outstanding – basic	1,452	1,432	1,450	1,432
Diluted earnings per common share	$ 1.62	$ 2.78	$ 5.55	$ 2.40
Weighted-average common shares outstanding – diluted	1,467	1,439	1,467	1,439
Dividends declared per common share	$ —	$ —	$ —	$ 0.38

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net income	$ 2,386	$ 4,018	$ 8,179	$ 3,524
Other comprehensive income (loss), net of tax (Note 16)				
Foreign currency translation adjustments and other	(210)	67	87	(964)
Defined benefit plans	197	(115)	385	163
Other comprehensive income (loss), net of tax	(13)	(48)	472	(801)
Comprehensive income	2,373	3,970	8,651	2,723
Comprehensive loss attributable to noncontrolling interests	40	21	112	59
Comprehensive income attributable to stockholders	$ 2,413	$ 3,991	$ 8,763	$ 2,782

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)

	September 30, 2021	December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 17,365	$ 19,992
Marketable debt securities (Note 3)	6,575	9,046
Accounts and notes receivable, net	8,091	8,035
GM Financial receivables, net (Note 4; Note 8 at VIEs)	25,093	26,209
Inventories (Note 5)	14,534	10,235
Other current assets (Note 3; Note 8 at VIEs)	6,133	7,407
Total current assets	77,791	80,924
Non-current Assets		
GM Financial receivables, net (Note 4; Note 8 at VIEs)	34,645	31,783
Equity in net assets of nonconsolidated affiliates (Note 7)	9,234	8,406
Property, net	39,637	37,632
Goodwill and intangible assets, net	5,126	5,230
Equipment on operating leases, net (Note 6; Note 8 at VIEs)	39,657	39,819
Deferred income taxes	22,245	24,136
Other assets (Note 3; Note 8 at VIEs)	10,222	7,264
Total non-current assets	160,766	154,270
Total Assets	$ 238,557	$ 235,194
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (principally trade)	$ 18,648	$ 19,928
Short-term debt and current portion of long-term debt (Note 9)		
Automotive	476	1,276
GM Financial (Note 8 at VIEs)	34,343	35,637
Accrued liabilities (Note 11)	18,484	23,069
Total current liabilities	71,951	79,910
Non-current Liabilities		
Long-term debt (Note 9)		
Automotive	16,372	16,193
GM Financial (Note 8 at VIEs)	57,762	56,788
Postretirement benefits other than pensions (Note 12)	6,111	6,277
Pensions (Note 12)	10,822	12,902
Other liabilities (Note 11)	15,218	13,447
Total non-current liabilities	106,285	105,607
Total Liabilities	178,236	185,517
Commitments and contingencies (Note 13)		
Equity (Note 16)		
Common stock, $0.01 par value	15	14
Additional paid-in capital	26,926	26,542
Retained earnings	40,212	31,962
Accumulated other comprehensive loss	(13,003)	(13,488)
Total stockholders’ equity	54,150	45,030
Noncontrolling interests	6,171	4,647
Total Equity	60,321	49,677
Total Liabilities and Equity	$ 238,557	$ 235,194

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)

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Cash flows from operating activities		
Net income	$ 8,179	$ 3,524
Depreciation and impairment of Equipment on operating leases, net	4,757	5,518
Depreciation, amortization and impairment charges on Property, net	4,357	4,217
Foreign currency remeasurement and transaction (gains) losses	(59)	50
Undistributed earnings (loss) of nonconsolidated affiliates, net	(306)	137
Pension contributions and OPEB payments	(624)	(610)
Pension and OPEB income, net	(1,205)	(754)
Provision for deferred taxes	1,963	700
Change in other operating assets and liabilities	(8,683)	(2,805)
Net cash provided by operating activities	8,379	9,977
Cash flows from investing activities		
Expenditures for property	(4,310)	(3,328)
Available-for-sale marketable securities, acquisitions	(5,784)	(12,190)
Available-for-sale marketable securities, liquidations	8,236	7,018
Purchases of finance receivables, net	(25,518)	(22,294)
Principal collections and recoveries on finance receivables	18,297	14,622
Purchases of leased vehicles, net	(16,698)	(10,468)
Proceeds from termination of leased vehicles	15,513	9,937
Other investing activities	(675)	(116)
Net cash used in investing activities	(10,939)	(16,819)
Cash flows from financing activities		
Net increase in short-term debt	3,203	580
Proceeds from issuance of debt (original maturities greater than three months)	34,843	64,931
Payments on debt (original maturities greater than three months)	(38,266)	(50,659)
Proceeds from issuance of subsidiary preferred stock (Note 16)	1,736	492
Dividends paid	(170)	(653)
Other financing activities	(134)	(532)
Net cash provided by financing activities	1,212	14,159
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(118)	(404)
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,466)	6,913
Cash, cash equivalents and restricted cash at beginning of period	23,117	22,943
Cash, cash equivalents and restricted cash at end of period	$ 21,651	$ 29,856
Significant Non-cash Investing and Financing Activity		
Non-cash property additions	$ 4,311	$ 2,448

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, 2020	$ 14	$ 26,074	$ 26,860	$ (11,156)	$ 4,165	$ 45,957
Adoption of accounting standards	—	—	(660)	—	—	(660)
Net income	—	—	294	—	(8)	286
Other comprehensive loss	—	—	—	(644)	(12)	(656)
Issuance of subsidiary preferred stock	—	—	—	—	26	26
Purchase of common stock	—	(57)	(33)	—	—	(90)
Stock based compensation	—	(3)	(7)	—	—	(10)
Cash dividends paid on common stock	—	—	(545)	—	—	(545)
Dividends to noncontrolling interests	—	—	—	—	(4)	(4)
Other	—	—	(24)	—	37	13
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
Net income	—	—	4,045	—	(27)	4,018
Other comprehensive loss	—	—	—	(54)	6	(48)
Issuance of subsidiary preferred stock (Note 16)	—	—	—	—	492	492
Stock based compensation	—	61	—	—	—	61
Other	—	—	(15)	—	7	(8)
Balance at September 30, 2020	$ 14	$ 26,148	$ 29,134	$ (11,955)	$ 4,667	$ 48,008
Balance at January 1, 2021	$ 14	$ 26,542	$ 31,962	$ (13,488)	$ 4,647	$ 49,677
Net income	—	—	3,022	—	(8)	3,014
Other comprehensive income	—	—	—	162	(7)	155
Issuance of subsidiary preferred stock (Note 16)	—	—	—	—	1,537	1,537
Stock based compensation	—	132	—	—	—	132
Dividends to noncontrolling interests	—	—	—	—	(61)	(61)
Other	—	(7)	4	—	(8)	(11)
Balance at March 31, 2021	14	26,667	34,988	(13,326)	6,100	54,443
Net income	—	—	2,836	—	(57)	2,779
Other comprehensive income	—	—	—	330	—	330
Issuance of subsidiary preferred stock (Note 16)	—	—	—	—	199	199
Stock based compensation	—	177	(4)	—	—	173
Dividends to noncontrolling interests	—	—	—	—	(64)	(64)
Other	1	—	(14)	—	29	16
Balance at June 30, 2021	15	26,844	37,806	(12,996)	6,207	57,876
Net income	—	—	2,420	—	(34)	2,386
Other comprehensive loss	—	—	—	(7)	(6)	(13)
Stock based compensation	—	82	1	—	—	83
Dividends to noncontrolling interests	—	—	—	—	(1)	(1)
Other	—	—	(15)	—	5	(10)
Balance at September 30, 2021	$ 15	$ 26,926	$ 40,212	$ (13,003)	$ 6,171	$ 60,321

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

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of Operations and Basis of Presentation

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

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

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

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

Note 2. Revenue

The following table disaggregates our revenue by major source:

	Three Months Ended September 30, 2021							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	$ 19,633	$ 2,548	$ 6	$ 22,187	$ —	$ —	$ —	$ 22,187
Used vehicles	115	14	—	129	—	—	—	129
Services and other	806	281	21	1,108	26	—	(24)	1,110
Automotive net sales and revenue	20,554	2,843	27	23,424	26	—	(24)	23,426
Leased vehicle income	—	—	—	—	—	2,246	—	2,246
Finance charge income	—	—	—	—	—	1,035	—	1,035
Other income	—	—	—	—	—	73	(1)	72
GM Financial net sales and revenue	—	—	—	—	—	3,354	(1)	3,353
Net sales and revenue	$ 20,554	$ 2,843	$ 27	$ 23,424	$ 26	$ 3,354	$ (25)	$ 26,779

GENERAL MOTORS COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS —— (Continued)

	Three Months Ended September 30, 2020							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/ Reclassifications	Total
Vehicle, parts and accessories	$ 28,143	$ 2,513	$ —	$ 30,656	$ —	$ —	$ —	$ 30,656
Used vehicles	185	23	6	214	—	—	—	214
Services and other	800	199	197	1,196	26	—	(25)	1,197
Automotive net sales and revenue	29,128	2,735	203	32,066	26	—	(25)	32,067
Leased vehicle income	—	—	—	—	—	2,354	—	2,354
Finance charge income	—	—	—	—	—	999	—	999
Other income	—	—	—	—	—	68	(8)	60
GM Financial net sales and revenue	—	—	—	—	—	3,421	(8)	3,413
Net sales and revenue	$ 29,128	$ 2,735	$ 203	$ 32,066	$ 26	$ 3,421	$ (33)	$ 35,480

	Nine Months Ended September 30, 2021							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Vehicle, parts and accessories	$ 71,546	$ 7,825	$ 8	$ 79,379	$ —	$ —	$ —	$ 79,379
Used vehicles	480	40	—	520	—	—	—	520
Services and other	2,417	856	59	3,332	81	—	(75)	3,338
Automotive net sales and revenue	74,443	8,721	67	83,231	81	—	(75)	83,237
Leased vehicle income	—	—	—	—	—	6,871	—	6,871
Finance charge income	—	—	—	—	—	3,087	—	3,087
Other income	—	—	—	—	—	229	(4)	225
GM Financial net sales and revenue	—	—	—	—	—	10,187	(4)	10,183
Net sales and revenue	$ 74,443	$ 8,721	$ 67	$ 83,231	$ 81	$ 10,187	$ (79)	$ 93,420

	Nine Months Ended September 30, 2020							
	GMNA	GMI	Corporate	Total Automotive	Cruise	GM Financial	Eliminations/ Reclassifications	Total
Vehicle, parts and accessories	$ 63,569	$ 6,950	$ —	$ 70,519	$ —	$ —	$ —	$ 70,519
Used vehicles	683	65	16	764	—	—	—	764
Services and other	2,311	677	305	3,293	79	—	(75)	3,297
Automotive net sales and revenue	66,563	7,692	321	74,576	79	—	(75)	74,580
Leased vehicle income	—	—	—	—	—	7,203	—	7,203
Finance charge income	—	—	—	—	—	2,971	(1)	2,970
Other income	—	—	—	—	—	231	(17)	214
GM Financial net sales and revenue	—	—	—	—	—	10,405	(18)	10,387
Net sales and revenue	$ 66,563	$ 7,692	$ 321	$ 74,576	$ 79	$ 10,405	$ (93)	$ 84,967

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 $290 million and $340 million in the three months ended September 30, 2021 and 2020.

Contract liabilities in our Automotive segments primarily consist of maintenance, extended warranty and other service contracts of $2.5 billion and $2.4 billion at September 30, 2021 and December 31, 2020, which are included in Accrued liabilities and Other liabilities. We recognized revenue of $262 million and $951 million related to contract liabilities in the three and nine months ended September 30, 2021 and $245 million and $872 million in the three and nine months ended September 30, 2020. We expect to recognize revenue of $459 million in the three months ending December 31, 2021 and $844 million, $469 million and $725 million in the years ending December 31, 2022, 2023 and thereafter related to contract liabilities at September 30, 2021.

Note 3. Marketable and Other Securities

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

	Fair Value Level	September 30, 2021	December 31, 2020
Cash and cash equivalents			
Cash and time deposits		$ 8,312	$ 8,010
Available-for-sale debt securities			
U.S. government and agencies	2	188	1,370
Corporate debt	2	4,100	3,476
Sovereign debt	2	1,238	2,051
Total available-for-sale debt securities – cash equivalents		5,526	6,897
Money market funds	1	3,527	5,085
Total cash and cash equivalents(a)		$ 17,365	$ 19,992
Marketable debt securities			
U.S. government and agencies	2	$ 803	$ 1,771
Corporate debt	2	3,212	3,630
Mortgage and asset-backed	2	566	632
Sovereign debt	2	1,994	3,013
Total available-for-sale debt securities – marketable securities(b)		$ 6,575	$ 9,046
Restricted cash			
Cash and cash equivalents		$ 509	$ 269
Money market funds	1	3,777	2,856
Total restricted cash		$ 4,286	$ 3,125
Available-for-sale debt securities included above with contractual maturities(c)			
Due in one year or less		$ 8,490	
Due between one and five years		3,009	
Total available-for-sale debt securities with contractual maturities		$ 11,499	

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(a) Includes $1.8 billion and $761 million in Cruise at September 30, 2021 and December 31, 2020.
(b) Includes $1.8 billion and $943 million in Cruise at September 30, 2021 and December 31, 2020.
(c) Excludes mortgage and asset-backed securities of $566 million at September 30, 2021 as these securities are not due at a single maturity date.

Proceeds from the sale of available-for-sale debt securities sold prior to maturity were $301 million and $476 million in the three months ended September 30, 2021 and 2020 and $1.4 billion in the nine months ended September 30, 2021 and 2020. Net unrealized gains and losses on available-for-sale debt securities were insignificant in the three and nine months ended September 30, 2021 and 2020. Cumulative unrealized gains and losses on available-for-sale debt securities were insignificant at September 30, 2021 and December 31, 2020.

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

	September 30, 2021
Cash and cash equivalents	$ 17,365
Restricted cash included in Other current assets	2,842
Restricted cash included in Other assets	1,444
Total	$ 21,651

Note 4. GM Financial Receivables and Transactions

	September 30, 2021			December 31, 2020		
	Retail	Commercial(a)	Total	Retail	Commercial(a)	Total
GM Financial receivables, net of fees	$ 57,424	$ 4,217	$ 61,641	$ 51,288	$ 8,682	$ 59,970
Less: allowance for loan losses	(1,863)	(40)	(1,903)	(1,915)	(63)	(1,978)
GM Financial receivables, net	$ 55,561	$ 4,177	$ 59,738	$ 49,373	$ 8,619	$ 57,992
Fair value of GM Financial receivables utilizing Level 2 inputs			$ 4,177			$ 8,619
Fair value of GM Financial receivables utilizing Level 3 inputs			$ 57,330			$ 51,645

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(a) Net of dealer cash management balances of $909 million and $1.4 billion at September 30, 2021 and December 31, 2020. Under the cash management program, subject to certain conditions, a dealer may choose to reduce the amount of interest on its floorplan line by making principal payments to GM Financial in advance.

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Allowance for loan losses at beginning of period	$ 1,850	$ 2,111	$ 1,978	$ 944
Impact of adoption ASU 2016-13	—	—	—	801
Provision for loan losses	141	31	174	824
Charge-offs	(207)	(282)	(664)	(895)
Recoveries	133	136	429	383
Effect of foreign currency	(14)	7	(14)	(54)
Allowance for loan losses at end of period	$ 1,903	$ 2,003	$ 1,903	$ 2,003

The allowance for loan losses decreased by $100 million as of September 30, 2021 compared to September 30, 2020, primarily due to a reduction in the reserve levels established at the onset of the COVID-19 pandemic. This reduction was a result of actual credit performance that was better than forecasted and favorable expectations for future charge-offs and recoveries, reflecting improved economic conditions. These decreases in the reserve levels were partially offset by reserves established for loans originated during the nine months ended September 30, 2021.

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

	Year of Origination						September 30, 2021	
	2021	2020	2019	2018	2017	Prior	Total	Percent
Prime – FICO score 680 and greater	$ 15,723	$ 13,839	$ 4,697	$ 2,747	$ 996	$ 219	$ 38,221	66.5 %
Near-prime – FICO score 620 to 679	3,321	2,697	1,417	766	342	121	8,664	15.1 %
Sub-prime – FICO score less than 620	3,446	2,842	2,024	1,132	694	401	10,539	18.4 %
Retail finance receivables, net of fees	$ 22,490	$ 19,378	$ 8,138	$ 4,645	$ 2,032	$ 741	$ 57,424	100.0 %

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

GM Financial reviews the ongoing credit quality of retail finance receivables based on customer payment activity. A retail account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date the payment was contractually due. Retail finance receivables are collateralized by vehicle titles and, subject to local laws, GM Financial generally has the right to repossess the vehicle in the event the customer defaults on the payment terms of the contract. The accrual of finance charge income had been suspended on delinquent retail finance receivables with contractual amounts due of $577 million and $714 million at September 30, 2021 and December 31, 2020. The following tables are consolidated summaries of the delinquency status of the outstanding amortized cost of retail finance receivables for each vintage of the portfolio at September 30, 2021 and December 31, 2020, as well as summary totals for September 30, 2020:

	Year of Origination						September 30, 2021		September 30, 2020	
	2021	2020	2019	2018	2017	Prior	Total	Percent	Total	Percent
0-to-30 days	$ 22,252	$ 19,030	$ 7,825	$ 4,443	$ 1,894	$ 642	$ 56,086	97.7 %	$ 47,221	97.0 %
31-to-60 days	174	257	231	151	103	73	989	1.7 %	1,009	2.1 %
Greater-than-60 days	57	81	74	47	32	24	315	0.5 %	419	0.8 %
Finance receivables more than 30 days delinquent	231	338	305	198	135	97	1,304	2.2 %	1,428	2.9 %
In repossession	7	10	8	4	3	2	34	0.1 %	45	0.1 %
Finance receivables more than 30 days delinquent or in repossession	238	348	313	202	138	99	1,338	2.3 %	1,473	3.0 %
Retail finance receivables, net of fees	$ 22,490	$ 19,378	$ 8,138	$ 4,645	$ 2,032	$ 741	$ 57,424	100.0 %	$ 48,694	100.0 %

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

The outstanding amortized cost of retail finance receivables that are considered troubled debt restructurings was $2.0 billion at September 30, 2021, including $214 million in nonaccrual loans.

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

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

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

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

	Year of Origination(a)							September 30, 2021	
	Revolving	2021	2020	2019	2018	2017	Prior	Total	Percent
I	$ 2,958	$ 285	$ 417	$ 125	$ 34	$ 62	$ 13	$ 3,894	92.3 %
II	168	2	16	17	—	3	5	211	5.0 %
III	55	8	15	2	26	2	4	112	2.7 %
IV	—	—	—	—	—	—	—	—	— %
Commercial finance receivables, net of fees	$ 3,181	$ 295	$ 448	$ 144	$ 60	$ 67	$ 22	$ 4,217	100.0 %

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

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

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(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.

	September 30, 2021	December 31, 2020
Condensed Consolidated Balance Sheets(a)		
Commercial finance receivables, net due from GM consolidated dealers	$ 184	$ 398
Subvention receivable(b)	$ 305	$ 642
Commercial loan funding payable	$ 17	$ 23

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Condensed Consolidated Statements of Income				
Interest subvention earned on finance receivables	$ 211	$ 178	$ 610	$ 496
Leased vehicle subvention earned	$ 670	$ 749	$ 2,095	$ 2,319

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(a) All balance sheet amounts are eliminated upon consolidation.
(b) Our Automotive segments made cash payments to GM Financial for subvention of $828 million and $943 million in the three months ended September 30, 2021 and 2020 and $2.9 billion and $3.0 billion in the nine months ended September 30, 2021 and 2020.

GM Financial's Board of Directors declared and paid dividends of $600 million and $1.8 billion on its common stock in the three and nine months ended September 30, 2021 and $800 million in the nine months ended September 30, 2020.

Note 5. Inventories

	September 30, 2021	December 31, 2020
Total productive material, supplies and work in process	$ 10,055	$ 5,117
Finished product, including service parts	4,479	5,118
Total inventories	$ 14,534	$ 10,235

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

Note 6. Equipment on Operating Leases

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

	September 30, 2021	December 31, 2020
Equipment on operating leases	$ 49,263	$ 50,000
Less: accumulated depreciation	(9,606)	(10,181)
Equipment on operating leases, net	$ 39,657	$ 39,819

The estimated residual value of our leased assets at the end of the lease term was $29.6 billion and $29.2 billion at September 30, 2021 and December 31, 2020.

Depreciation expense related to Equipment on operating leases, net was $1.6 billion and $1.8 billion in the three months ended September 30, 2021 and 2020 and $4.8 billion and $5.5 billion in the nine months ended September 30, 2021 and 2020.

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

	Year Ending December 31,						
	2021	2022	2023	2024	2025	Thereafter	Total
Lease receipts under operating leases	$ 1,660	$ 5,369	$ 3,129	$ 870	$ 60	$ —	$ 11,088

Note 7. Equity in Net Assets of Nonconsolidated Affiliates

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Automotive China equity income	$ 270	$ 262	$ 854	$ 264
Other joint ventures equity income	53	47	161	125
Total Equity income	$ 323	$ 309	$ 1,015	$ 389

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Summarized Operating Data of Automotive China JVs				
Automotive China JVs' net sales	$ 10,321	$ 11,029	$ 29,150	$ 24,589
Automotive China JVs' net income	$ 546	$ 535	$ 1,659	$ 749

Dividends declared but not paid from our nonconsolidated affiliates were insignificant at September 30, 2021 and December 31, 2020. Dividends received from our nonconsolidated affiliates were $709 million in the nine months ended September 30, 2021 and $526 million in the nine months ended September 30, 2020. Undistributed earnings from our nonconsolidated affiliates were $1.9 billion at September 30, 2021 and $1.6 billion at December 31, 2020.

Note 8. Variable Interest Entities

Consolidated VIEs

Automotive Financing – GM Financial

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

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

	September 30, 2021	December 31, 2020
Restricted cash – current	$ 2,184	$ 2,190
Restricted cash – non-current	$ 1,355	$ 449
GM Financial receivables, net of fees – current	$ 13,065	$ 17,211
GM Financial receivables, net of fees – non-current	$ 14,184	$ 15,107
GM Financial equipment on operating leases, net	$ 17,317	$ 16,322
GM Financial short-term debt and current portion of long-term debt	$ 17,641	$ 20,450
GM Financial long-term debt	$ 20,204	$ 18,974

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

Nonconsolidated VIEs

Automotive

Nonconsolidated VIEs principally include automotive related operating entities to which we provided financial support to ensure that our supply needs for production are met or are not disrupted. Our variable interests in these nonconsolidated VIEs include equity investments, accounts and loans receivable, committed financial support and other off-balance sheet arrangements. The carrying amounts of assets and liabilities related to our nonconsolidated VIEs were insignificant at September 30, 2021 and December 31, 2020. Our maximum exposure to loss as a result of our involvement with these VIEs was $2.2 billion and $1.2 billion, inclusive of $1.4 billion and $776 million in committed capital contributions to Ultium Cells LLC at September 30, 2021 and December 31, 2020. We currently lack the power through voting or similar rights to direct the activities of these entities that most significantly affect their economic performance.

Note 9. Debt

Automotive The following table presents debt in our automotive operations:

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	$ 237	$ 256	$ 303	$ 332
Unsecured debt	16,297	19,984	16,929	20,988
Finance lease liabilities	314	329	237	256
Total automotive debt(a)	$ 16,848	$ 20,569	$ 17,469	$ 21,576
Fair value utilizing Level 1 inputs		$ 19,063		$ 19,826
Fair value utilizing Level 2 inputs		$ 1,506		$ 1,750
Available under credit facility agreements(b)		$ 17,207		$ 18,222
Weighted-average interest rate on outstanding short-term debt(c)		7.0 %		3.8 %
Weighted-average interest rate on outstanding long-term debt(c)		5.8 %		5.6 %

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(a) Includes net discount and debt issuance costs of $519 million and $540 million at September 30, 2021 and December 31, 2020.
(b) Excludes our 364-day, $2.0 billion facility allocated for exclusive use by GM Financial.
(c) Includes coupon rates on debt denominated in various foreign currencies and interest free loans.

Unsecured debt primarily consists of senior notes. In September 2021, we repaid $450 million of our floating rate senior unsecured debt upon maturity.

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

GM Financial The following table presents debt of GM Financial:

	September 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Secured debt	$ 38,041	$ 38,259	$ 39,982	$ 40,380
Unsecured debt	54,064	55,705	52,443	54,568
Total GM Financial debt	$ 92,105	$ 93,964	$ 92,425	$ 94,948
Fair value utilizing Level 2 inputs		$ 92,351		$ 92,922
Fair value utilizing Level 3 inputs		$ 1,613		$ 2,026

Secured debt consists of revolving credit facilities and securitization notes payable. Most of the secured debt was issued by VIEs and is repayable only from proceeds related to the underlying pledged assets. Refer to Note 8 to our condensed consolidated financial statements for additional information on GM Financial's involvement with VIEs. In the nine months ended September 30, 2021, GM Financial renewed revolving credit facilities with total borrowing capacity of $21.9 billion and issued $19.3 billion in aggregate principal amount of securitization notes payable with an initial weighted average interest rate of 0.73% and maturity dates ranging from 2022 to 2034.

Unsecured debt consists of senior notes, credit facilities and other unsecured debt. In the nine months ended September 30, 2021, GM Financial issued $9.9 billion in aggregate principal amount of senior notes with an initial weighted average interest rate of 1.57% and maturity dates ranging from 2024 to 2031.

In September 2021, GM Financial redeemed $1.5 billion in aggregate principal amount of 5.2% senior notes due in 2023. The redemption resulted in a $105 million loss on the early extinguishment of debt. The loss is included in GM Financial interest, operating and other expenses.

In October 2021, GM Financial issued $2.3 billion in aggregate principal amount of senior notes with an initial weighted average interest rate of 1.63% and maturity dates ranging from 2024 to 2028.

Note 10. Derivative Financial Instruments

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

	Fair Value Level	September 30, 2021	December 31, 2020
Derivatives not designated as hedges(a)			
Foreign currency	2	$ 3,867	$ 2,195
Commodity	2	1,328	341
Stellantis warrants, formerly known as PSA warrants(b)	2	46	49
Total derivative financial instruments		$ 5,241	$ 2,585

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(a) The fair value of these derivative instruments at September 30, 2021 and December 31, 2020 and the gains/losses included in our condensed consolidated income statements for the three and nine months ended September 30, 2021 and 2020 were insignificant, unless otherwise noted.
(b) As a result of the merger of Peugeot, S.A. (PSA Group) and Fiat Chrysler Automobiles N.V. on January 16, 2021, our 39.7 million warrants in Stellantis N.V. (Stellantis) will convert into 69.2 million common shares of Stellantis upon exercise. These warrants will continue to be governed by the same terms and conditions that were applicable prior to the merger. The fair value of these warrants, located in Other assets, was $1.4 billion and $1.1 billion at September 30, 2021 and December 31, 2020. We recorded a loss in Interest income and other non-operating income, net of $31 million and a gain of $76 million in the three months ended September 30, 2021 and 2020 and a gain of $333 million and a loss of $227 million in the nine months ended September 30, 2021 and 2020.

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

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

	Fair Value Level	September 30, 2021			December 31, 2020		
		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	$ 19,308	$ 347	$ 90	$ 10,064	$ 463	$ 13
Foreign currency swaps	2	695	—	46	1,958	128	9
Cash flow hedges							
Interest rate swaps	2	711	8	10	921	—	27
Foreign currency swaps	2	7,515	115	178	5,626	278	47
Derivatives not designated as hedges(a)							
Interest rate contracts	2	106,109	624	342	110,997	954	576
Total derivative financial instruments(b)		$ 134,338	$ 1,094	$ 666	$ 129,566	$ 1,823	$ 672

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(a) The gains/losses included in our condensed consolidated income statements and statements of comprehensive income for the three and nine months ended September 30, 2021 and 2020 were insignificant, unless otherwise noted. Amounts accrued for interest payments in a net receivable position are included in Other assets. Amounts accrued for interest payments in a net payable position are included in Other liabilities.
(b) GM Financial held $460 million and $728 million of collateral from counterparties available for netting against GM Financial's asset positions, and posted an insignificant amount of collateral to counterparties available for netting against GM Financial's liability positions at September 30, 2021 and December 31, 2020.

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

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:

	September 30, 2021		December 31, 2020	
	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)	Carrying Amount of Hedged Items	Cumulative Amount of Fair Value Hedging Adjustments(a)
Short-term unsecured debt	$ 1,848	$ (11)	$ 4,858	$ (69)
Long-term unsecured debt	22,685	(285)	18,457	(670)
GM Financial unsecured debt	$ 24,533	$ (296)	$ 23,315	$ (739)

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(a) Includes $245 million and $200 million of unamortized gains remaining on hedged items for which hedge accounting has been discontinued at September 30, 2021 and December 31, 2020.

Note 11. Accrued and Other Liabilities

	September 30, 2021	December 31, 2020
Accrued liabilities		
Dealer and customer allowances, claims and discounts	$ 2,805	$ 7,300
Deferred revenue	2,531	3,132
Product warranty and related liabilities	3,506	3,048
Payrolls and employee benefits excluding postemployment benefits	2,217	1,864
Other	7,425	7,725
Total accrued liabilities	$ 18,484	$ 23,069
Other liabilities		
Deferred revenue	$ 3,082	$ 2,715
Product warranty and related liabilities	6,558	5,193
Operating lease liabilities	975	969
Employee benefits excluding postemployment benefits	799	822
Postemployment benefits including facility idling reserves	772	739
Other	3,032	3,009
Total other liabilities	$ 15,218	$ 13,447

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Product Warranty and Related Liabilities				
Warranty balance at beginning of period	$ 9,180	$ 7,040	$ 8,242	$ 7,798
Warranties issued and assumed in period – recall campaigns	1,237	249	2,686	407
Warranties issued and assumed in period – product warranty	345	523	1,250	1,241
Payments	(756)	(727)	(2,275)	(2,260)
Adjustments to pre-existing warranties	86	53	178	33
Effect of foreign currency and other	(28)	17	(17)	(64)
Warranty balance at end of period	$ 10,064	$ 7,155	$ 10,064	$ 7,155

In the nine months ended September 30, 2021, we recorded warranty recall campaign accruals of $2.7 billion, of which $2.0 billion relates to the Chevrolet Bolt recall. In addition, we reached an agreement with LG Electronics, Inc. (LG) under which LG will reimburse GM for costs and expenses associated with the recall, which substantially offsets the warranty charges we recognized in connection with the recall. Refer to Note 13 to our condensed consolidated financial statements for more details on the Chevrolet Bolt recall and associated supplier recovery. We estimate our reasonably possible loss in excess of amounts accrued for recall campaigns to be insignificant at September 30, 2021.

Note 12. Pensions and Other Postretirement Benefits

	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	$ 65	$ 35	$ 4	$ 63	$ 41	$ 5
Interest cost	269	60	31	429	92	43
Expected return on plan assets	(796)	(154)	—	(816)	(174)	—
Amortization of prior service cost (credit)	—	1	(2)	(1)	2	(1)
Amortization of net actuarial losses	7	53	25	4	44	18
Curtailments, settlements and other	—	—	—	—	15	—
Net periodic pension and OPEB (income) expense	$ (455)	$ (5)	$ 58	$ (321)	$ 20	$ 65

	Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Pension Benefits		Global OPEB Plans	Pension Benefits		Global OPEB Plans
	U.S.	Non-U.S.		U.S.	Non-U.S.	
Service cost	$ 196	$ 105	$ 13	$ 188	$ 107	$ 14
Interest cost	806	180	93	1,287	271	130
Expected return on plan assets	(2,385)	(464)	—	(2,449)	(507)	—
Amortization of prior service cost (credit)	(2)	4	(5)	(3)	5	(5)
Amortization of net actuarial losses	20	161	73	12	126	55
Curtailments, settlements and other	—	—	—	—	15	—
Net periodic pension and OPEB (income) expense	$ (1,365)	$ (14)	$ 174	$ (965)	$ 17	$ 194

The non-service cost components of net periodic pension and other postretirement benefits (OPEB) income of $484 million and $322 million in the three months ended September 30, 2021 and 2020 and $1.5 billion and $996 million in the nine months ended September 30, 2021 and 2020 are presented in Interest income and other non-operating income, net.

Note 13. Commitments and Contingencies

Litigation-Related Liability and Tax Administrative Matters In the normal course of our business, we are named from time to time as a defendant in various legal actions, including arbitrations, class actions and other litigation. We identify below the material individual proceedings and investigations where we believe a material loss is reasonably possible or probable. We accrue for matters when we believe that losses are probable and can be reasonably estimated. At September 30, 2021 and December 31, 2020, we had accruals of $1.1 billion and $1.2 billion in Accrued liabilities and Other liabilities. In many matters, it is inherently difficult to determine whether loss is probable or reasonably possible or to estimate the size or range of the possible loss. Accordingly, adverse outcomes from such proceedings could exceed the amounts accrued by an amount that could be material to our results of operations or cash flows in any particular reporting period.

GM Korea Wage Litigation GM Korea Company (GM Korea) is party to litigation with current and former salaried employees over whether to include fixed bonuses in the calculation of Ordinary Wages due under Korean regulations. In 2017, the Seoul High Court (an intermediate-level appellate court) held that certain workers are not barred from filing retroactive wage claims. GM Korea appealed this ruling to the Supreme Court of the Republic of Korea (Korea Supreme Court). In June 2021, the Korea Supreme Court affirmed the adverse rulings of the Seoul High Court. Accordingly, as of September 30, 2021, our total accrual relating to this matter was $110 million and it was recorded in Automotive and other selling, general and administrative expense. We estimate our reasonably possible loss in excess of amounts accrued to be insignificant at September 30, 2021.

GM Korea is also party to litigation with current and former subcontract workers over allegations that they are entitled to the same wages and benefits provided to full-time employees, and to be hired as full-time employees. In May 2018 and September 2020, the Korean labor authorities issued adverse administrative orders finding that GM Korea must hire certain current subcontract workers as full-time employees. GM Korea appealed the May 2018 and September 2020 orders. In June 2020, the Seoul High Court ruled against GM Korea in one of the subcontract worker claims. GM Korea has appealed this decision to the Korea Supreme Court. At September 30, 2021, our accrual covering certain asserted claims and claims that we believe are probable of assertion and for which liability is probable was approximately $267 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 $111 million at September 30, 2021. We are currently unable to estimate any possible loss or range of loss that may result from additional claims that may be asserted by former subcontract workers.

GM Brazil Indirect Tax Claim In 2019, the Superior Court of Brazil rendered favorable decisions on three cases brought by GM Brazil that granted the Company the right to recover certain tax overpayments collected by the government. As a result, GM Brazil recorded pre-tax recoveries of $1.4 billion in the year ended December 31, 2019. GM Brazil is currently realizing those recoveries as there are federal tax liabilities eligible for offset. On August 12, 2021, the Brazilian Supreme Court published its final decision on a Motion of Clarification filed by the Brazilian IRS in a related case that confirmed GM Brazil's right to recover the tax overpayments retroactively. We expect third parties will file claims asserting entitlement to some or all of the tax recoveries recognized by GM Brazil, and GM intends to defend against any such claims.

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

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

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

Indirect tax-related matters are being litigated globally pertaining to value added taxes, customs, duties, sales, property taxes and other non-income tax related tax exposures. The various non-U.S. labor-related matters include claims from current and former employees related to alleged unpaid wage, benefit, severance and other compensation matters. Certain administrative proceedings are indirect tax-related and may require that we deposit funds in escrow or provide an alternative form of security. Some of the matters may involve compensatory, punitive or other treble damage claims, environmental remediation programs or sanctions that, if granted, could require us to pay damages or make other expenditures in amounts that could not be reasonably estimated at September 30, 2021. We believe that appropriate accruals have been established for losses that are probable and can be reasonably estimated. For indirect tax-related matters we estimate our reasonably possible loss in excess of amounts accrued to be up to approximately $850 million at September 30, 2021.

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

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

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

Chevrolet Bolt Recall In July 2021, we initiated a voluntary recall for certain 2017-2019 model year Chevrolet Bolt EVs due to the risk that two manufacturing defects present in the same battery cell could cause a high voltage battery fire in certain of these vehicles. Accordingly, in the three months ended June 30, 2021, we recorded a warranty accrual of $812 million. After further investigation into the manufacturing processes at our battery supplier, LG, and disassembling battery packs, we determined that the risk of battery cell defects was not confined to the initial recall population. As a result, in August 2021, we expanded the recall to include all 2017-2022 model year Chevrolet Bolt EV and EUVs and recorded an additional $1.2 billion in the three months ended September 30, 2021. In October 2021, we reached an agreement with LG, under which LG will reimburse GM for costs and expenses associated with the recall. As a result, in the three months ended September 30, 2021, we recognized a receivable of $1.9 billion, which substantially offsets the warranty charges we recognized in connection with the recall. These charges reflect our current best estimate for the cost of the recall remedy. The actual costs of the recall and GM's associated recovery from LG could be higher or lower. For 2017-2019 model year vehicles, the recall remedy will be to replace the high voltage battery modules in these vehicles with new modules. For 2020-2022 model year vehicles, the recall remedy will be to replace any defective high voltage battery modules in these vehicles with new modules.

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

Opel/Vauxhall Sale In 2017, we sold the Opel and Vauxhall businesses and certain other assets in Europe (the Opel/Vauxhall Business) to PSA Group (now Stellantis) under a Master Agreement (the Agreement). We also sold the European financing subsidiaries and branches (the Fincos, and together with the Opel/Vauxhall Business, the European Business) to Banque PSA Finance S.A. and BNP Paribas Personal Finance S.A. Although the sale reduced our new vehicle presence in Europe, we may still be impacted by actions taken by regulators related to vehicles sold before the sale. Our wholly owned subsidiary (the Seller) agreed to indemnify Stellantis for certain losses resulting from any inaccuracy of the representations and warranties or breaches of our covenants included in the Agreement and for certain other liabilities, including certain emissions and product liabilities. Currently, various consumer lawsuits have been filed against the Seller and Stellantis in Germany, the United Kingdom, and the Netherlands alleging that Opel and Vauxhall vehicles sold by the Seller violated foreign emissions standards. We are unable to estimate any reasonably possible loss or range of loss that may result from these actions either directly or through an indemnification claim from Stellantis. The Company entered into a guarantee for the benefit of Stellantis and pursuant to which the Company agreed to guarantee the Seller's obligation to indemnify Stellantis. Certain of these indemnification obligations are subject to time limitations, thresholds and/or caps as to the amount of required payments.

Product Liability We recorded liabilities of $620 million and $589 million in Accrued liabilities and Other liabilities at September 30, 2021 and December 31, 2020 for the expected cost of all known product liability claims, plus an estimate of the expected cost for product liability claims that have already been incurred and are expected to be filed in the future for which we are self-insured. It is reasonably possible that our accruals for product liability claims may increase in future periods in material amounts, although we cannot estimate a reasonable range of incremental loss based on currently available information. We believe that any judgment against us involving our products for actual damages will be adequately covered by our recorded accruals and, where applicable, excess liability insurance coverage.

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

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

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

Note 14. Income Taxes

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

In the three months ended September 30, 2021, Income tax expense of $152 million was primarily due to tax expense attributable to entities included in our effective tax rate calculation, partially offset by tax benefit related to a deduction for an investment in a subsidiary. In the three months ended September 30, 2020, Income tax expense of $887 million was primarily due to tax expense attributable to entities included in our effective tax rate calculation.

In the nine months ended September 30, 2021, Income tax expense of $2.3 billion was primarily due to tax expense attributable to entities included in our effective tax rate calculation and the establishment of a valuation allowance against Cruise deferred tax assets, partially offset by tax benefit related to a deduction for an investment in a subsidiary. In the nine months ended September 30, 2020, Income tax expense of $1.1 billion was primarily due to tax expense attributable to entities included in our effective tax rate calculation and the establishment of a valuation allowance against deferred tax assets.

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

At September 30, 2021, we had $21.5 billion of net deferred tax assets consisting of net operating losses and income tax credits, capitalized research expenditures and other timing differences that are available to offset future income tax liabilities, partially offset by valuation allowances.

Note 15. Restructuring and Other Initiatives

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

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Balance at beginning of period	$ 303	$ 480	$ 352	$ 564
Additions, interest accretion and other	157	80	215	334
Payments	(62)	(185)	(170)	(523)
Revisions to estimates and effect of foreign currency	(3)	(32)	(2)	(32)
Balance at end of period	$ 395	$ 343	$ 395	$ 343

In the three and nine months ended September 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 definitive agreements to sell our vehicle and powertrain manufacturing facilities in Thailand. We recorded charges of $76 million in the three months ended September 30, 2020, primarily for supplier claims. We recorded charges of $657 million in the nine months ended September 30, 2020, primarily consisting of $367 million in property and intangible asset impairments, inventory provisions, sales allowances and other charges, not reflected in the table above, and $290 million in dealer restructurings and employee separation charges, which are reflected in the table above. These programs, including the execution of a binding term sheet to sell our manufacturing facility in India, had a total cost since inception of $689 million. We also recorded a $236 million charge to Income tax expense due to the establishment of a valuation allowance against deferred tax assets in Australia and New Zealand in the nine months ended September 30, 2020. We incurred $222 million in net cash outflows in the nine months ended September 30, 2020 and $254 million in net cash outflows since program inception resulting from these restructuring actions, primarily for dealer restructuring payments and employee separation payments, which includes proceeds of $143 million from the sale of our manufacturing facilities in Thailand.

Note 16. Stockholders' Equity and Noncontrolling Interests

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

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

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

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

Shares and Cruise Class F Preferred Shares are entitled to receive the greater of their carrying value or a pro-rata share of any proceeds or distributions upon the occurrence of a merger, sale, liquidation, or dissolution of Cruise Holdings.

GM Financial Preferred Stock In September 2020, GM Financial issued $500 million of Fixed-Rate Reset Cumulative Perpetual Preferred Stock, Series C, $0.01 par value, with a liquidation preference of $1,000 per share. The preferred stock is 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		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Foreign Currency Translation Adjustments				
Balance at beginning of period	$ (2,445)	$ (3,192)	$ (2,735)	$ (2,277)
Other comprehensive income (loss) and noncontrolling interests, net of reclassification adjustment and tax(a)(b)	(202)	49	88	(866)
Balance at end of period	$ (2,647)	$ (3,143)	$ (2,647)	$ (3,143)
Defined Benefit Plans				
Balance at beginning of period	$ (10,466)	$ (8,579)	$ (10,654)	$ (8,857)
Other comprehensive income (loss) before reclassification adjustment, net of tax(b)	123	(177)	161	(11)
Reclassification adjustment, net of tax(b)	74	62	224	174
Other comprehensive income (loss), net of tax(b)	197	(115)	385	163
Balance at end of period(c)	$ (10,269)	$ (8,694)	$ (10,269)	$ (8,694)

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(a) The noncontrolling interests and reclassification adjustment were insignificant in the three and nine months ended September 30, 2021 and 2020.
(b) The income tax effect was insignificant in the three and nine months ended September 30, 2021 and 2020.
(c) Primarily consists of unamortized actuarial loss on our defined benefit plans. Refer to Note 2. Significant Accounting Policies of our 2020 Form 10-K for additional information.

Note 17. Earnings Per Share

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Basic earnings per share				
Net income attributable to stockholders	$ 2,420	$ 4,045	$ 8,278	$ 3,581
Less: cumulative dividends on subsidiary preferred stock	(45)	(40)	(137)	(135)
Net income attributable to common stockholders	$ 2,375	$ 4,005	$ 8,141	$ 3,446
Weighted-average common shares outstanding	1,452	1,432	1,450	1,432
Basic earnings per common share	$ 1.64	$ 2.80	$ 5.61	$ 2.41
Diluted earnings per share				
Net income attributable to common stockholders – diluted	$ 2,375	$ 4,005	$ 8,141	$ 3,446
Weighted-average common shares outstanding – basic	1,452	1,432	1,450	1,432
Dilutive effect of awards under stock incentive plans	15	7	17	7
Weighted-average common shares outstanding – diluted	1,467	1,439	1,467	1,439
Diluted earnings per common share	$ 1.62	$ 2.78	$ 5.55	$ 2.40
Potentially dilutive securities(a)	2	31	2	31

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

Note 18. Segment Reporting

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

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

GMNA meets the demands of customers in North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. GMI primarily meets the demands of customers outside North America with vehicles developed, manufactured and/or marketed under the Buick, Cadillac, Chevrolet and GMC brands. We also have equity ownership stakes in entities that meet the demands of customers in other countries, primarily China, with vehicles developed, manufactured and/or marketed under the Baojun, Buick, Cadillac, Chevrolet and Wuling brands. We provide automotive financing services through GM Financial. Cruise is our global segment responsible for the development and commercialization of autonomous vehicle technology, and includes autonomous vehicle-related engineering and other costs.

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

The following tables summarize key financial information by segment:

	At and For the Three Months Ended September 30, 2021								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 20,554	$ 2,843	$ 27		$ 23,424	$ 26	$ 3,354	$ (25)	$ 26,779
Earnings (loss) before interest and taxes-adjusted	$ 2,125	$ 229	$ (242)		$ 2,112	$ (286)	$ 1,093	$ 3	$ 2,922
Adjustments(a)	$ (158)	$ —	$ —		$ (158)	$ —	$ —	$ —	(158)
Automotive interest income									38
Automotive interest expense									(230)
Net (loss) attributable to noncontrolling interests									(34)
Income before income taxes									2,538
Income tax expense									(152)
Net income									2,386
Net loss attributable to noncontrolling interests									34
Net income attributable to stockholders									$ 2,420
Equity in net assets of nonconsolidated affiliates	$ 585	$ 7,000	$ —	$ —	$ 7,585	$ —	$ 1,649	$ —	$ 9,234
Goodwill and intangibles	$ 2,267	$ 780	$ —	$ —	$ 3,047	$ 739	$ 1,340	$ —	$ 5,126
Total assets	$ 114,012	$ 21,953	$ 31,907	$ (46,752)	$ 121,120	$ 4,912	$ 113,741	$ (1,216)	$ 238,557
Depreciation and amortization	$ 1,370	$ 138	$ 6	$ —	$ 1,514	$ 13	$ 1,554	$ —	$ 3,081
Equity income	$ 1	$ 269	$ —	$ —	$ 270	$ —	$ 53	$ —	$ 323

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(a) Consists of charges related to Cadillac dealer strategy in GMNA.

	At and For the Three Months Ended September 30, 2020								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 29,128	$ 2,735	$ 203		$ 32,066	$ 26	$ 3,421	$ (33)	$ 35,480
Earnings (loss) before interest and taxes-adjusted	$ 4,366	$ 10	$ (87)		$ 4,289	$ (204)	$ 1,207	$ (8)	$ 5,284
Adjustments(a)	$ —	$ (76)	$ —		$ (76)	$ —	$ —	$ —	(76)
Automotive interest income									51
Automotive interest expense									(327)
Net (loss) attributable to noncontrolling interests									(27)
Income before income taxes									4,905
Income tax expense									(887)
Net income									4,018
Net loss attributable to noncontrolling interests									27
Net income attributable to stockholders									$ 4,045
Equity in net assets of nonconsolidated affiliates	$ 187	$ 6,374	$ —	$ —	$ 6,561	$ —	$ 1,485	$ —	$ 8,046
Goodwill and intangibles	$ 2,372	$ 811	$ 1	$ —	$ 3,184	$ 724	$ 1,337	$ —	$ 5,245
Total assets	$ 111,426	$ 22,365	$ 45,059	$ (50,609)	$ 128,241	$ 3,815	$ 108,926	$ (1,311)	$ 239,671
Depreciation and amortization	$ 1,182	$ 146	$ 5	$ —	$ 1,333	$ 11	$ 1,814	$ —	$ 3,158
Impairment charges	$ —	$ 4	$ —	$ —	$ 4	$ —	$ —	$ —	$ 4
Equity income	$ 4	$ 259	$ —	$ —	$ 263	$ —	$ 46	$ —	$ 309

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(a) Consists of restructuring and other charges primarily in Thailand.

	At and For the Nine Months Ended September 30, 2021								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 74,443	$ 8,721	$ 67		$ 83,231	$ 81	$ 10,187	$ (79)	$ 93,420
Earnings (loss) before interest and taxes-adjusted	$ 8,153	$ 552	$ (250)		$ 8,455	$ (847)	$ 3,856	$ (8)	$ 11,456
Adjustments(a)	$ (175)	$ (82)	$ —		$ (257)	$ —	$ —	$ —	(257)
Automotive interest income									102
Automotive interest expense									(723)
Net (loss) attributable to noncontrolling interests									(99)
Income before income taxes									10,479
Income tax expense									(2,300)
Net income									8,179
Net loss attributable to noncontrolling interests									99
Net income attributable to stockholders									$ 8,278
Depreciation and amortization	$ 3,849	$ 407	$ 16	$ —	$ 4,272	$ 37	$ 4,801	$ —	$ 9,110
Impairment charges	$ —	$ —	$ —	$ —	$ —	$ 4	$ —	$ —	$ 4
Equity income	$ 8	$ 850	$ —	$ —	$ 858	$ —	$ 157	$ —	$ 1,015

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

	At and For the Nine Months Ended September 30, 2020								
	GMNA	GMI	Corporate	Eliminations	Total Automotive	Cruise	GM Financial	Eliminations/Reclassifications	Total
Net sales and revenue	$ 66,563	$ 7,692	$ 321		$ 74,576	$ 79	$ 10,405	$ (93)	$ 84,967
Earnings (loss) before interest and taxes-adjusted	$ 6,459	$ (811)	$ (680)		$ 4,968	$ (627)	$ 1,663	$ (6)	$ 5,998
Adjustments(a)	$ —	$ (657)	$ —		$ (657)	$ —	$ —	$ —	(657)
Automotive interest income									195
Automotive interest expense									(823)
Net (loss) attributable to noncontrolling interests									(57)
Income before income taxes									4,656
Income tax expense									(1,132)
Net income									3,524
Net loss attributable to noncontrolling interests									57
Net income attributable to stockholders									$ 3,581
Depreciation and amortization	$ 3,536	$ 461	$ 20	$ —	$ 4,017	$ 30	$ 5,567	$ —	$ 9,614
Impairment charges	$ 20	$ 101	$ —	$ —	$ 121	$ —	$ —	$ —	$ 121
Equity income	$ 15	$ 261	$ —	$ —	$ 276	$ —	$ 113	$ —	$ 389

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

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

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

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

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

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

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

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

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

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

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							
	September 30,		June 30,		March 31,		December 31,	
	2021	2020	2021	2020	2021	2020	2020	2019
Net income (loss) attributable to stockholders	$ 2,420	$ 4,045	$ 2,836	$ (758)	$ 3,022	$ 294	$ 2,846	$ (194)
Income tax expense (benefit)	152	887	971	(112)	1,177	357	642	(163)
Automotive interest expense	230	327	243	303	250	193	275	200
Automotive interest income	(38)	(51)	(32)	(61)	(32)	(83)	(46)	(96)
Adjustments								
Cadillac dealer strategy(a)	158	—	17	—	—	—	99	—
GMI restructuring(b)	—	76	—	92	—	489	26	—
GM Korea wage litigation(c)	—	—	82	—	—	—	—	—
Ignition switch recall and related legal matters(d)	—	—	—	—	—	—	(130)	—
Transformation activities(e)	—	—	—	—	—	—	—	194
FAW-GM divestiture(f)	—	—	—	—	—	—	—	164
Total adjustments	158	76	99	92	—	489	(5)	358
EBIT (loss)-adjusted	$ 2,922	$ 5,284	$ 4,117	$ (536)	$ 4,417	$ 1,250	$ 3,712	$ 105

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(a) These adjustments were excluded because they relate to strategic activities to transition certain Cadillac dealers from the network as part of Cadillac's electric vehicle strategy.
(b) 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 supplier claims in the three months ended September 30, 2020, inventory provisions in the three months ended June 30, 2020, asset impairments, dealer restructurings, employee separation charges and sales allowances in Australia, New Zealand and Thailand in the three months ended March 31, 2020, and employee separation charges in the three months ended December 31, 2020.
(c) This adjustment was excluded because of the unique events associated with recent Supreme Court of Korea decisions related to our salaried workers.
(d) This adjustment was excluded because of the unique events associated with the ignition switch recall, which included various investigations, inquiries and complaints from constituents.
(e) This adjustment was excluded because of a strategic decision to accelerate our transformation for the future to strengthen our core business, capitalize on the future of personal mobility and drive significant cost efficiencies. The adjustments primarily consist of accelerated depreciation and employee separation charges in the three months ended December 31, 2019.
(f) This adjustment was excluded because we divested our joint venture FAW-GM Light Duty Commercial Vehicle Co., Ltd. (FAW-GM), as a result of a strategic decision by both shareholders, allowing us to focus our resources on opportunities expected to deliver higher returns.

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

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Diluted earnings per common share	$ 2,375	$ 1.62	$ 4,005	$ 2.78	$ 8,141	$ 5.55	$ 3,446	$ 2.40
Adjustments(a)	158	0.11	76	0.05	257	0.18	657	0.46
Tax effect on adjustment(b)	(39)	(0.03)	(14)	—	(43)	(0.03)	(82)	(0.06)
Tax adjustment(c)	(271)	(0.18)	—	—	45	0.03	236	0.16
EPS-diluted-adjusted	$ 2,223	$ 1.52	$ 4,067	$ 2.83	$ 8,400	$ 5.73	$ 4,257	$ 2.96

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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 for the details of each individual adjustment.
(b) The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
(c) These adjustments consist of tax benefit related to a deduction for an investment in a subsidiary in the three months ended September 30, 2021 and tax expense related to the establishment of a valuation allowance against Cruise deferred tax assets in the nine months ended September 30, 2021, and tax expense related to the establishment of a valuation allowance against deferred tax assets that are considered no longer realizable for GM in Australia and New Zealand for the nine months ended September 30, 2020.

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

	Three Months Ended						Nine Months Ended					
	September 30, 2021			September 30, 2020			September 30, 2021			September 30, 2020		
	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate	Income before income taxes	Income tax expense	Effective tax rate
Effective tax rate	$ 2,538	$ 152	6.0 %	$ 4,905	$ 887	18.1 %	$ 10,479	$ 2,300	21.9 %	$ 4,656	$ 1,132	24.3 %
Adjustments(a)	158	39		76	14		282	43		657	82	
Tax adjustment(b)		271						(45)			(236)	
ETR-adjusted	$ 2,696	$ 462	17.1 %	$ 4,981	$ 901	18.1 %	$ 10,761	$ 2,298	21.4 %	$ 5,313	$ 978	18.4 %

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

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

	Four Quarters Ended	
	September 30, 2021	September 30, 2020
Net income (loss) attributable to stockholders	$ 11.1	$ 3.4
Average equity(a)	$ 52.4	$ 42.5
ROE	21.2 %	8.0 %

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(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	
	September 30, 2021	September 30, 2020
EBIT (loss)-adjusted(a)	$ 15.2	$ 6.1
Average equity(b)	$ 52.4	$ 42.5
Add: Average automotive debt and interest liabilities (excluding finance leases)	17.3	27.0
Add: Average automotive net pension & OPEB liability	17.7	17.4
Less: Average automotive and other net income tax asset	(22.8)	(24.1)
ROIC-adjusted average net assets	$ 64.6	$ 62.8
ROIC-adjusted	23.5 %	9.7 %

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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 vision for the future is a world with zero crashes, zero emissions and zero congestion, which guides our growth-focused strategy to invest in electric and autonomous vehicles, software-enabled services and subscriptions and new business opportunities, while strengthening our market position in profitable internal combustion engine segments (ICE), such as trucks and SUVs.

We have an opportunity to grow our vehicle and financing revenue by continuing to capitalize on the strength of our franchises and scaling our electric vehicle production and customer base over the next decade. Our electric vehicle entries will be based on Ultium, our all-new dedicated battery electric platform, which we will leverage across our brands and vehicle segments ranging from high performance entries, such as the GMC Hummer EV and Cadillac LYRIQ, to mass market offerings.

Our software-enabled services and subscriptions, including OnStar and our advanced driver-assistance system (ADAS), Super Cruise, as well as future offerings such as our next-generation ADAS, Ultra Cruise, provide additional opportunities for revenue growth. This growth will be enhanced by Ultifi, our end-to-end software platform, that will provide our customers with software-defined features, applications and services over-the-air.

Additionally, we are incubating several new businesses with a start-up mindset that we believe will enable us to attract new customers and generate revenues in new areas, including:

Cruise Driving leadership in the development and commercialization of autonomous vehicle technology, including the launch of the Cruise Origin AV that will be built at GM’s Factory ZERO Detroit-Hamtramck Assembly Center starting in early 2023.

BrightDrop Building all-electric and connected, first-to-last mile delivery and logistics solutions for commercial customers.

HYDROTEC Developing hydrogen fuel cell applications across transportations and industries, including mobile power generation, class 7/8 truck, locomotive, aerospace and marine applications.

OnStar Insurance Services In the future, we plan to integrate insurance products into the vehicle purchasing process and offer premiums based on personal driving behaviors by leveraging data coming from GM vehicles.

GM Defense Providing commercially developed solutions, including purpose-built vehicles, for government and military customers.

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

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

For the year ending December 31, 2021, we expect EPS-diluted of between $5.52 and $6.52, EPS-diluted-adjusted of between $5.70 and $6.70, Net income attributable to stockholders of between $8.1 billion and $9.6 billion and EBIT-adjusted of between $11.5 billion and $13.5 billion. Due to the uncertainty of the semiconductor supply shortage, our cash flow from operations could be impacted by year end work-in-process inventory related to vehicles produced without modules. The value of the vehicles manufactured without modules held in inventory was $2.9 billion at September 30, 2021. We do not consider the potential impact of future adjustments on our expected financial results.

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

	Year Ending December 31, 2021
Net income attributable to stockholders	$ 8.1-9.6
Income tax expense	2.3-2.8
Automotive interest expense, net	0.8
Adjustments(a)	0.3
EBIT-adjusted(b)	$ 11.5-13.5

(a) Refer to the reconciliation of Net income (loss) attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted within the MD&A for the details of each individual adjustment.
(b) We do not consider the potential future impact of adjustments on our expected financial results.

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

	Year Ending December 31, 2021
Diluted earnings per common share	$ 5.52-6.52
Adjustments(a)	0.18
EPS-diluted-adjusted(b)	$ 5.70-6.70

(a) Refer to the reconciliation of diluted earnings (loss) per common share under U.S. GAAP to EPS-diluted-adjusted within the MD&A for the details of each individual adjustment.
(b) We do not consider the potential future impact of adjustments on our expected financial results.

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

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

GMNA Industry sales in North America were 14.4 million units in the nine months ended September 30, 2021, representing an increase of 14.0% compared to the corresponding period in 2020. U.S. industry sales were 12.0 million units in the nine months ended September 30, 2021, representing an increase of 13.4% compared to the corresponding period in 2020.

Our total vehicle sales in the U.S., our largest market in North America, were 1.8 million units for market share of 14.8% in the nine months ended September 30, 2021, representing a decrease of 2.0 percentage points compared to the corresponding period in 2020.

We expect to sustain relatively strong EBIT-adjusted margins in 2021 on the continued strength of favorable vehicle pricing and strong U.S. industry light vehicle demand, partially offset by higher costs associated with commodities, raw materials and logistics. Our outlook is dependent on the economic impact of the COVID-19 pandemic and the global semiconductor supply shortage, both of which continue to evolve. As a result of the semiconductor supply shortage, we have experienced interruptions to our planned production schedules and temporarily suspended certain manufacturing sites to prioritize production of our most popular and in-demand products, including our full-size trucks and full-size SUVs. Additionally, we have been manufacturing vehicles, without the impacted components, representing an inventory carrying value of approximately $2.9 billion at September 30, 2021. We expect to hold these vehicles in our inventory until they are completed and sold to our dealers.

GMI Industry sales in China were 19.2 million units in the nine months ended September 30, 2021, representing an increase of 12.4% compared to the corresponding period in 2020, which was adversely impacted by the COVID-19 pandemic. Our total vehicle sales in China were 2.2 million units for market share of 11.2% in the nine months ended September 30, 2021, representing a decrease of 0.2 percentage points compared to the corresponding period in 2020. The ongoing global semiconductor supply shortage, macro-economic impact of COVID-19 and geopolitical tensions may place pressure on China's automotive industry and our vehicle sales in China. Our Automotive China JVs generated equity income of $0.9 billion in the nine months ended September 30, 2021. Although price competition, higher costs associated with commodities and raw materials and a more challenging regulatory environment related to emissions, fuel consumption and new energy vehicles will place pressure on our operations in China, we will continue to build upon our strong brands, network, and partnerships in China as well as drive improvements in vehicle mix and cost.

Outside of China, industry sales were 17.4 million units in the nine months ended September 30, 2021, representing an increase of 17.4% compared to the corresponding period in 2020. Our total vehicle sales outside of China were 0.6 million units for a market share of 3.4% in the nine months ended September 30, 2021, representing a decrease of 1.4 percentage points compared to the corresponding period in 2020.

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

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

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

We present both wholesale and total vehicle sales data to assist in the analysis of our revenue and our market share. Wholesale vehicle sales data consists of sales to GM's dealers and distributors as well as sales to the U.S. Government and excludes vehicles sold by our joint ventures. Wholesale vehicle sales data correlates to our revenue recognized from the sale of vehicles, which is the largest component of Automotive net sales and revenue. In the nine months ended September 30, 2021, 29.1% of our wholesale vehicle sales volume was generated outside the U.S. The following table summarizes wholesale vehicle sales by automotive segment (vehicles in thousands):

	Three Months Ended				Nine Months Ended			
	September 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
GMNA	423	79.0 %	799	82.7 %	1,729	81.7 %	1,905	81.0 %
GMI	113	21.0 %	166	17.3 %	388	18.3 %	447	19.0 %
Total	536	100.0 %	965	100.0 %	2,117	100.0 %	2,352	100.0 %

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

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

	Three Months Ended						Nine Months Ended					
	September 30, 2021			September 30, 2020			September 30, 2021			September 30, 2020		
	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share	Industry	GM	Market Share
North America												
United States	3,491	447	12.8 %	4,005	665	16.6 %	12,027	1,777	14.8 %	10,603	1,776	16.8 %
Other	782	75	9.6 %	811	100	12.3 %	2,365	285	12.0 %	2,021	273	13.5 %
Total North America	4,273	522	12.2 %	4,816	765	15.9 %	14,392	2,062	14.3 %	12,624	2,049	16.2 %
Asia/Pacific, Middle East and Africa												
China(a)	5,789	624	10.8 %	6,710	771	11.5 %	19,154	2,154	11.2 %	17,047	1,947	11.4 %
Other	4,637	95	2.0 %	4,761	132	2.7 %	14,733	320	2.2 %	12,713	403	3.2 %
Total Asia/Pacific, Middle East and Africa	10,426	719	6.9 %	11,471	903	7.9 %	33,887	2,474	7.3 %	29,760	2,350	7.9 %
South America												
Brazil	503	36	7.2 %	565	88	15.6 %	1,577	161	10.2 %	1,373	222	16.2 %
Other	395	34	8.6 %	293	34	11.6 %	1,102	115	10.4 %	744	89	11.9 %
Total South America	898	70	7.8 %	858	122	14.3 %	2,679	276	10.3 %	2,117	311	14.7 %
Total in GM markets	15,597	1,311	8.4 %	17,145	1,790	10.4 %	50,958	4,812	9.4 %	44,501	4,710	10.6 %
Total Europe	3,748	—	— %	4,317	—	— %	11,969	1	— %	10,624	—	— %
Total Worldwide(b)	19,345	1,311	6.8 %	21,462	1,790	8.3 %	62,927	4,813	7.6 %	55,125	4,710	8.5 %
United States												
Cars	744	21	2.9 %	879	62	7.0 %	2,632	111	4.2 %	2,431	171	7.0 %
Trucks	929	266	28.7 %	1,073	319	29.8 %	3,123	929	29.8 %	2,864	864	30.2 %
Crossovers	1,818	160	8.8 %	2,053	284	13.8 %	6,272	737	11.7 %	5,308	741	14.0 %
Total United States	3,491	447	12.8 %	4,005	665	16.6 %	12,027	1,777	14.8 %	10,603	1,776	16.8 %
China(a)												
SGMS		275			395			974			952	
SGMW		349			376			1,180			995	
Total China	5,789	624	10.8 %	6,710	771	11.5 %	19,154	2,154	11.2 %	17,047	1,947	11.4 %

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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.

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		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
GMNA	69	94	319	363
GMI	69	93	203	219
Total fleet sales	138	187	522	582
Fleet sales as a percentage of total vehicle sales	10.5 %	10.4 %	10.8 %	12.4 %

GM Financial We believe that offering a comprehensive suite of financing products will generate incremental sales of our vehicles, drive incremental GM Financial earnings and help support our sales throughout various economic cycles. GM Financial's leasing program is exposed to residual values, which are heavily dependent on used vehicle prices. Due to high used vehicle prices for the three and nine months ended September 30, 2021 compared to the same periods in 2020, prices on leased vehicles at termination generally exceeded their contractual residual values, which resulted in increased lessee or grounding dealer purchases of the leased vehicles upon lease termination. The high used vehicle prices were predominately driven by continued low new vehicle inventory, with reduced new vehicle incentive levels. For the full year 2021, GM Financial expects used vehicle prices to be higher than 2020 levels, primarily due to sustained low new vehicle inventory, with reduced new vehicle incentive levels. The increase in used vehicle prices resulted in gains on terminations of leased vehicles of $0.4 billion and $1.6 billion in GM Financial interest, operating and other expenses for the three and nine months ended September 30, 2021, and $0.7 billion and $0.9 billion in the corresponding periods in 2020. The following table summarizes the estimated residual value based on GM Financial's most recent estimates and the number of units included in GM Financial Equipment on operating leases, net by vehicle type (units in thousands):

	September 30, 2021			December 31, 2020		
	Residual Value	Units	Percentage	Residual Value	Units	Percentage
Crossovers	$ 16,829	941	67.1 %	$ 16,334	964	65.5 %
Trucks	7,893	272	19.4 %	7,455	275	18.7 %
SUVs	3,260	84	6.0 %	3,435	92	6.3 %
Cars	1,583	105	7.5 %	1,949	140	9.5 %
Total	$ 29,565	1,402	100.0 %	$ 29,173	1,471	100.0 %

GM Financial's penetration of our retail sales in the U.S. was 44% in the nine months ended September 30, 2021 and 46% in the corresponding period in 2020. Penetration levels vary depending on incentive financing programs available and competing third-party financing products in the market. During the nine months ended September 30, 2020, GM Financial's penetration was positively impacted by our incentive program on 84-month, zero-percent loans. GM Financial's prime loan originations as a percentage of total loan originations in North America decreased to 72% in the nine months ended September 30, 2021 from 74% in the nine months ended September 30, 2020. In the nine months ended September 30, 2021, GM Financial's revenue consisted of leased vehicle income of 67%, retail finance charge income of 29% and commercial finance charge income of 2%.

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

Total Net Sales and Revenue

	Three Months Ended				Variance Due To			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	$ 20,554	$ 29,128	$ (8,574)	(29.4)%	$ (12.3)	$ 2.0	$ 1.3	$ 0.4
GMI	2,843	2,735	108	3.9 %	$ (0.7)	$ 0.6	$ 0.1	$ 0.1
Corporate	27	203	(176)	(86.7)%		$ —		$ (0.2)
Automotive	23,424	32,066	(8,642)	(27.0)%	$ (13.0)	$ 2.6	$ 1.5	$ 0.3
Cruise	26	26	—	— %				
GM Financial	3,354	3,421	(67)	(2.0)%				$ (0.1)
Eliminations/reclassifications	(25)	(33)	8	24.2 %				$ —
Total net sales and revenue	$ 26,779	$ 35,480	$ (8,701)	(24.5)%	$ (13.0)	$ 2.6	$ 1.5	$ 0.3

	Nine Months Ended				Variance Due To			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	Volume	Mix	Price	Other
					(Dollars in billions)			
GMNA	$ 74,443	$ 66,563	$ 7,880	11.8 %	$ (7.0)	$ 8.2	$ 5.0	$ 1.7
GMI	8,721	7,692	1,029	13.4 %	$ (0.8)	$ 1.1	$ 0.6	$ 0.1
Corporate	67	321	(254)	(79.1)%		$ —		$ (0.3)
Automotive	83,231	74,576	8,655	11.6 %	$ (7.8)	$ 9.3	$ 5.7	$ 1.5
Cruise	81	79	2	2.5 %				$ —
GM Financial	10,187	10,405	(218)	(2.1)%				$ (0.2)
Eliminations/reclassifications	(79)	(93)	14	15.1 %				$ —
Total net sales and revenue	$ 93,420	$ 84,967	$ 8,453	9.9 %	$ (7.8)	$ 9.3	$ 5.7	$ 1.3

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

Automotive and Other Cost of Sales

	Three Months Ended				Variance Due To			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	$ 17,635	$ 24,021	$ 6,386	26.6 %	$ 8.7	$ (0.9)	$ (1.3)	$ (0.1)
GMI	2,702	2,859	157	5.5 %	$ 0.6	$ (0.4)	$ (0.1)	$ —
Corporate	54	100	46	46.0 %		$ —	$ 0.1	$ —
Cruise	282	190	(92)	(48.4)%			$ (0.1)	
Eliminations	(1)	(1)	—	— %				
Total automotive and other cost of sales	$ 20,672	$ 27,169	$ 6,497	23.9 %	$ 9.3	$ (1.3)	$ (1.4)	$ (0.1)

	Nine Months Ended				Variance Due To			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	Volume	Mix	Cost	Other
					(Dollars in billions)			
GMNA	$ 63,658	$ 57,739	$ (5,919)	(10.3)%	$ 4.7	$ (3.5)	$ (6.8)	$ (0.3)
GMI	8,449	8,757	308	3.5 %	$ 0.7	$ (0.5)	$ —	$ 0.2
Corporate	125	283	158	55.8 %		$ —	$ 0.1	$ —
Cruise	822	561	(261)	(46.5)%			$ (0.3)	
Eliminations	(1)	(1)	—	— %				
Total automotive and other cost of sales	$ 73,053	$ 67,339	$ (5,714)	(8.5)%	$ 5.4	$ (4.0)	$ (7.0)	$ (0.1)

In the three months ended September 30, 2021, increased Cost was primarily due to: (1) increased material and freight costs of $0.9 billion; (2) increased manufacturing costs of $0.5 billion primarily related to the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic; (3) increased engineering costs of $0.5 billion primarily related to accelerating our electric vehicle portfolio and the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic; and (4) increased costs of $0.2 billion primarily related to parts and accessories sales; partially offset by (5) a decrease in campaigns and other warranty-related costs of $0.8 billion, which includes Chevrolet Bolt recall costs of $1.2 billion and associated recoveries of $1.9 billion.

In the nine months ended September 30, 2021, increased Cost was primarily due to: (1) increased material and freight costs of $3.1 billion; (2) increased engineering costs of $1.6 billion primarily related to accelerating our electric vehicle portfolio and the suspension of production and the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic; (3) increased manufacturing costs of $1.0 billion primarily related to the suspension of production and the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic; (4) increased costs of $0.8 billion primarily related to parts and accessories sales; and (5) an increase in campaign and other warranty-related costs of $0.5 billion, which includes Chevrolet Bolt recall costs of $2.0 billion and associated recoveries of $1.9 billion; partially offset by (6) charges of $0.6 billion primarily related to dealer restructuring charges, property and intangible asset impairments and inventory provisions in Australia, Thailand, and New Zealand in 2020.

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

Automotive and other selling, general and administrative expense

	Three Months Ended				Nine Months Ended			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%
Automotive and other selling, general and administrative expense	$ 2,148	$ 1,628	$ (520)	(31.9)%	$ 6,076	$ 4,908	$ (1,168)	(23.8)%

In the three months ended September 30, 2021, Automotive and other selling, general and administrative expense increased primarily due to increased advertising, administrative and other costs of $0.4 billion primarily related to the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic and charges of $0.2 billion related to Cadillac dealer strategy.

In the nine months ended September 30, 2021, Automotive and other selling, general and administrative expense increased primarily due to increased advertising, administrative and other costs of $0.9 billion primarily related to the suspension of production and the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic and charges of $0.2 billion related to Cadillac dealer strategy.

Interest Income and Other Non-operating Income, net

	Three Months Ended				Nine Months Ended			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%
Interest income and other non-operating income, net	$ 800	$ 499	$ 301	60.3 %	$ 2,383	$ 1,223	$ 1,160	94.8 %

In the three months ended September 30, 2021, Interest income and other non-operating income, net increased primarily due to $0.2 billion increase in non-service pension income and favorable revaluation of investments of $0.2 billion.

In the nine months ended September 30, 2021, Interest income and other non-operating income, net increased primarily due to: (1) gains of $0.3 billion in the nine months ended September 30, 2021 compared to losses of $0.2 billion in the nine months ended September 30, 2020 related to Stellantis warrants; (2) $0.5 billion increase in non-service pension income; and (3) favorable revaluation of investments of $0.2 billion.

Income Tax Expense

	Three Months Ended				Nine Months Ended			
	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%	September 30, 2021	September 30, 2020	Favorable/ (Unfavorable)	%
Income tax expense	$ 152	$ 887	$ 735	82.9 %	$ 2,300	$ 1,132	$ (1,168)	n.m.

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n.m. = not meaningful

In the three months ended September 30, 2021, Income tax expense decreased primarily due to a decrease in pre-tax income and tax benefit related to a deduction for an investment in a subsidiary. In the nine months ended September, 30 2021, Income tax expense increased primarily due to an increase in pre-tax income, partially offset by tax benefit related to a deduction for an investment in a subsidiary.

For the three and nine months ended September 30, 2021, our ETR-adjusted was 17.1% and 21.4%. We expect our adjusted effective tax rate to be approximately 22% for the year ending December 31, 2021.

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

GM North America

	Three Months Ended				Variance Due To				
	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 20,554	$ 29,128	$ (8,574)	(29.4)%	$ (12.3)	$ 2.0	$ 1.3		$ 0.4
EBIT-adjusted	$ 2,125	$ 4,366	$ (2,241)	(51.3)%	$ (3.6)	$ 1.0	$ 1.3	$ (1.2)	$ 0.2
EBIT-adjusted margin	10.3 %	15.0 %	(4.7)%						
	(Vehicles in thousands)								
Wholesale vehicle sales	423	799	(376)	(47.1)%					

	Nine Months Ended				Variance Due To				
	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 74,443	$ 66,563	$ 7,880	11.8 %	$ (7.0)	$ 8.2	$ 5.0		$ 1.7
EBIT-adjusted	$ 8,153	$ 6,459	$ 1,694	26.2 %	$ (2.3)	$ 4.6	$ 5.0	$ (6.2)	$ 0.5
EBIT-adjusted margin	11.0 %	9.7 %	1.3 %						
	(Vehicles in thousands)								
Wholesale vehicle sales	1,729	1,905	(176)	(9.2)%					

GMNA Total Net Sales and Revenue In the three months ended September 30, 2021, Total net sales and revenue decreased primarily due to: (1) decreased net wholesale volumes due to a decrease in sales of crossover vehicles, pickup trucks, and passenger cars as a result of suspending production in 2021 due to the ongoing global semiconductor supply shortage; partially offset by (2) favorable mix associated with decreased sales of crossover vehicles and passenger cars and increased sales of full-size SUVs, partially offset by a decrease in sales of full-size pickup trucks; (3) favorable price primarily due to lower incentives as a result of low dealer inventory levels; and (4) favorable Other due to increased sales of parts and accessories and the foreign currency effect resulting from the strengthening of the Canadian Dollar and the Mexican Peso against the U.S. Dollar.

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

GMNA EBIT-Adjusted In the three months ended September 30, 2021, EBIT-adjusted decreased primarily due to: (1) decreased net wholesale volumes; (2) unfavorable Cost due to increased material and freight cost of $0.8 billion, increased engineering cost of $0.4 billion including accelerating our electric vehicle portfolio, increased manufacturing and advertising costs primarily related to the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic, partially offset by decreased campaigns and other warranty-related costs of $0.8 billion, including the Chevrolet Bolt recall and associated recoveries; partially offset by (3) favorable price; (4) favorable mix associated with decreased sales of crossover vehicles and passenger cars, partially offset by a decrease in sales of full-size pickup trucks and; (5) favorable Other due to favorable revaluation of investments.

In the nine months ended September 30, 2021, EBIT- adjusted increased primarily due to: (1) favorable price; (2) favorable mix; (3) favorable Other due to the foreign currency effect resulting from the strengthening of the Canadian Dollar and the Mexican Peso against the U.S. Dollar and favorable revaluation of investments; partially offset by (4) unfavorable Cost due to increased material and freight cost of $2.8 billion, increased engineering cost of $1.3 billion including accelerating our electric vehicle portfolio, increased manufacturing and advertising costs primarily related to the suspension of production and the non-recurrence of austerity measures implemented in 2020 due to the COVID-19 pandemic, and increased campaigns and other warranty-related costs of $0.4 billion, including the Chevrolet Bolt recall and associated recoveries, partially offset by increased non-service pension income and; (5) decreased net wholesale volumes.

GM International

	Three Months Ended				Variance Due To				
	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 2,843	$ 2,735	$ 108	3.9 %	$ (0.7)	$ 0.6	$ 0.1		$ 0.1
EBIT-adjusted	$ 229	$ 10	$ 219	n.m.	$ (0.1)	$ 0.2	$ 0.1	$ —	$ —
EBIT-adjusted margin	8.1 %	0.4 %	7.7 %						
Equity income — Automotive China	*$ 270*	*$ 262*	*$ 8*	*3.1 %*					
EBIT (loss)-adjusted — excluding Equity income	*$ (41)*	*$ (252)*	*$ 211*	*83.7 %*					
	(Vehicles in thousands)								
Wholesale vehicle sales	113	166	(53)	(31.9)%					

n.m. = not meaningful

	Nine Months Ended				Variance Due To				
	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%	Volume	Mix	Price	Cost	Other
					(Dollars in billions)				
Total net sales and revenue	$ 8,721	$ 7,692	$ 1,029	13.4 %	$ (0.8)	$ 1.1	$ 0.6		$ 0.1
EBIT (loss)-adjusted	$ 552	$ (811)	$ 1,363	n.m.	$ (0.1)	$ 0.6	$ 0.6	$ (0.3)	$ 0.6
EBIT (loss)-adjusted margin	6.3 %	(10.5)%	16.8 %						
Equity income — Automotive China	*$ 854*	*$ 264*	*$ 590*	*n.m.*					
EBIT (loss)-adjusted — excluding Equity income	*$ (302)*	*$ (1,075)*	*$ 773*	*71.9 %*					
	(Vehicles in thousands)								
Wholesale vehicle sales	388	447	(59)	(13.2)%					

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 September 30, 2021, Total net sales and revenue increased primarily due to: (1) favorable mix in South America, Asia/Pacific and the Middle East; (2) favorable pricing across multiple vehicle lines in Brazil and Argentina; and (3) favorable Other primarily due to increased components, parts and accessories sales; partially offset by (4) decreased wholesale volumes due to the semiconductor supply shortage.

In the nine months ended September 30, 2021, Total net sales and revenue increased primarily due to: (1) favorable mix in South America, Asia/Pacific and the Middle East; (2) favorable pricing across multiple vehicle lines in Brazil and Argentina; and (3) favorable Other primarily due to increased components, parts and accessories sales, partially offset by the foreign currency effect resulting from the weakening of various currencies against the U.S. dollar; partially offset by (4) decreased wholesale volumes primarily due to the semiconductor supply shortage and the wind-down of our vehicle sales operations in Australia, New Zealand and Thailand.

GMI EBIT (Loss)-Adjusted In the three months ended September 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable mix; and (2) favorable price; partially offset by (3) decreased wholesale volumes.

In the nine months ended September 30, 2021, EBIT-adjusted increased primarily due to: (1) favorable mix; (2) favorable price; and (3) favorable Other primarily due to increased equity income; partially offset by (4) unfavorable Cost primarily due to increased material costs; and (5) decreased wholesale volumes.

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

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Wholesale vehicle sales, including vehicles exported to markets outside of China	705	848	2,000	1,923
Total net sales and revenue	$ 10,321	$ 11,029	$ 29,150	$ 24,589
Net income	$ 546	$ 535	$ 1,659	$ 749

Cruise

	Three Months Ended				Nine Months Ended			
	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%	September 30, 2021	September 30, 2020	Favorable / (Unfavorable)	%
Total net sales and revenue(a)	$ 26	$ 26	$ —	— %	$ 81	$ 79	$ 2	2.5 %
EBIT (loss)-adjusted	$ (286)	$ (204)	$ (82)	(40.2)%	$ (847)	$ (627)	$ (220)	(35.1)%

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

Cruise EBIT (Loss)-Adjusted In the three and nine months ended September 30, 2021, EBIT (loss)-adjusted increased primarily due to an increase 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				Nine Months Ended			
	September 30, 2021	September 30, 2020	Increase/ (Decrease)	%	September 30, 2021	September 30, 2020	Increase/ (Decrease)	%
Total revenue	$ 3,354	$ 3,421	$ (67)	(2.0)%	$ 10,187	$ 10,405	$ (218)	(2.1)%
Provision for loan losses	$ 141	$ 31	$ 110	n.m.	$ 174	$ 824	$ (650)	(78.9)%
EBT-adjusted	$ 1,093	$ 1,207	$ (114)	(9.4)%	$ 3,856	$ 1,663	$ 2,193	n.m.
Average debt outstanding (dollars in billions)	$ 94.7	$ 90.2	$ 4.5	5.0 %	$ 94.4	$ 91.6	$ 2.8	3.1 %
Effective rate of interest paid	3.0 %	3.1 %	(0.1)%		2.8 %	3.4 %	(0.6)%	

n.m. = not meaningful

GM Financial Revenue In the three months ended September 30, 2021, total revenue decreased by an insignificant amount.

In the nine months ended September 30, 2021, total revenue decreased primarily due to decreased leased vehicle income of $0.3 billion primarily due to a decline in the average balance of the leased vehicles portfolio; partially offset by increased finance charge income of $0.1 billion primarily due to growth in the retail finance receivables portfolio.

GM Financial EBT-Adjusted In the three months ended September 30, 2021, EBT-adjusted decreased primarily due to an increased provision for loan losses of $0.1 billion primarily due to increased loan originations volume in the U.S. and a smaller improvement to the recovery rate outlook during the three months ended September 30, 2021 compared to the same period in 2020.

In the nine months ended September 30, 2021, EBT-adjusted increased primarily due to: (1) increased leased vehicle income net of leased vehicle expenses of $1.1 billion primarily due to decreased depreciation on leased vehicles resulting from increased residual value estimates and a decrease in the size of the portfolio, as well as increased lease termination gains, due to the increase in used vehicle prices; (2) decreased provision for loan losses of $0.7 billion primarily due to a reduction in the reserve levels established at the onset of the COVID-19 pandemic as a result of actual credit performance that was better than forecasted and favorable expectations for future charge-offs and recoveries, reflecting improved economic conditions, partially offset by reserves established for loans originated during the nine months ended September 30, 2021; and (3) decreased interest expense of $0.3 billion due to decreased credit spreads on GM Financial debt, partially offset by an increase in the average debt outstanding. GM Financial interest, operating and other expenses includes a $0.1 billion loss on extinguishment of debt.

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

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

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

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

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

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

We use credit facilities as a mechanism to provide additional flexibility in managing our global liquidity. Our Automotive borrowing capacity under credit facilities totaled $17.5 billion at September 30, 2021 and $18.5 billion at December 31, 2020. Total Automotive borrowing capacity under our credit facilities does not include our 364-day, $2.0 billion facility allocated for exclusive use by GM Financial. We did not have any borrowings against our primary facilities, but had letters of credit outstanding under our sub-facility of $0.3 billion at September 30, 2021 and December 31, 2020.

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

If available capacity permits, GM Financial continues to have access to our automotive credit facilities, except for the three-year, $2.0 billion transformation facility that matures in January 2022. GM Financial did not have borrowings outstanding against any of these facilities at September 30, 2021 and December 31, 2020. We had intercompany loans from GM Financial of $0.2 billion and $0.4 billion at September 30, 2021 and December 31, 2020, which primarily consisted of commercial loans to dealers we consolidate. We did not have intercompany loans to GM Financial at September 30, 2021 and December 31, 2020. Refer to Note 4 to our condensed consolidated financial statements for additional information.

GM Financial's Board of Directors declared and paid dividends of $0.6 billion and $1.8 billion on its common stock in the three and nine months ended September 30, 2021 and $0.8 billion in the nine months ended September 30, 2020. Current dividend levels are reflective of record GM Financial earnings supported by strong residual values, favorable credit performance and improved economic conditions. Future dividends from GM Financial will depend on several factors including business and economic conditions, its financial condition, earnings, liquidity requirements and leverage ratio.

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

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

	September 30, 2021	December 31, 2020
Automotive cash and cash equivalents	$ 10.7	$ 14.2
Marketable debt securities	4.8	8.1
Automotive cash, cash equivalents and marketable debt securities	15.5	22.3
Cruise cash and cash equivalents(a)	1.8	0.8
Cruise marketable debt securities(a)	1.8	0.9
Available liquidity	19.1	24.0
Available under credit facilities	17.2	18.2
Total available liquidity	$ 36.3	$ 42.2

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

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

	Nine Months Ended September 30, 2021
Operating cash flow	$ 0.3
Capital expenditures	(4.2)
GM investment in Cruise	(1.0)
Repayment of senior unsecured notes	(0.5)
Decrease in available credit facilities	(1.0)
Other non-operating	(1.4)
Total change in automotive available liquidity	$ (7.8)

Automotive Cash Flow (dollars in billions)

	Nine Months Ended		
	September 30, 2021	September 30, 2020	Change
Operating Activities			
Net income	$ 6.5	$ 2.7	$ 3.8
Depreciation, amortization and impairment charges	4.3	4.1	0.2
Pension and OPEB activities	(1.8)	(1.4)	(0.4)
Working capital	(7.8)	(2.6)	(5.2)
Accrued and other liabilities and income taxes	(1.0)	(2.1)	1.1
Other	0.1	1.6	(1.5)
Net automotive cash provided by operating activities	$ 0.3	$ 2.3	$ (2.0)

In the nine months ended September 30, 2021, the decrease in Net automotive cash provided by operating activities was primarily due to: (1) unfavorable working capital; partially offset by (2) lower sales incentive payments of $2.1 billion; and (3) higher dividends received from GM Financial of $1.0 billion.

	Nine Months Ended		
	September 30, 2021	September 30, 2020	Change
Investing Activities			
Capital expenditures	$ (4.2)	$ (3.3)	$ (0.9)
Acquisitions and liquidations of marketable securities, net(a)	3.3	(4.0)	7.3
GM investment in Cruise	(1.0)	—	(1.0)
Other	(0.8)	—	(0.8)
Net automotive cash used in investing activities	$ (2.7)	$ (7.3)	$ 4.6

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

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

	Nine Months Ended		
	September 30, 2021	September 30, 2020	Change
Financing Activities			
Borrowings against credit facilities, net	$ —	$ 10.6	$ (10.6)
Net proceeds (payments) from short-term debt	(0.5)	0.4	(0.9)
Issuance of senior unsecured notes	—	4.0	(4.0)
Repayment of senior unsecured notes	(0.5)	(0.5)	—
Dividends paid and payments to purchase common stock	—	(0.6)	0.6
Other	0.1	(0.4)	0.5
Net automotive cash provided by (used in) financing activities	$ (0.9)	$ 13.5	$ (14.4)

Adjusted Automotive Free Cash Flow We measure adjusted automotive free cash flow as automotive operating cash flow from operations less capital expenditures adjusted for management actions. In the nine months ended September 30, 2021, net automotive cash provided by operating activities under U.S. GAAP was $0.3 billion, capital expenditures were $4.2 billion, and adjustments for management actions were insignificant.

In the nine months ended September 30, 2020, net automotive cash provided by operating activities under U.S. GAAP was $2.3 billion, capital expenditures were $3.3 billion, and adjustments for management actions were $0.2 billion.

Status of Credit Ratings We receive ratings from four independent credit rating agencies: DBRS Limited (DBRS), Fitch Ratings, Moody's Investors Service (Moody's) and Standard & Poor's. All four credit rating agencies currently rate our corporate credit at investment grade. In March 2021, Moody's affirmed our investment-grade credit ratings and raised our ratings outlook to stable. In June 2021, DBRS affirmed our investment-grade credit rating and raised our ratings outlook to positive. As of October 12, 2021, all other credit ratings remained unchanged since December 31, 2020.

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

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

	Nine Months Ended September 30, 2021
Operating cash flow	$ (0.7)
Issuance of Cruise Preferred Shares	1.7
GM investment in Cruise	1.0
Other non-operating	(0.1)
Total change in Cruise available liquidity(a)	$ 1.9

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

Cruise Cash Flow (dollars in billions)

	Nine Months Ended		
	September 30, 2021	September 30, 2020	Change
Net cash used in operating activities	$ (0.7)	$ (0.6)	$ (0.1)
Net cash used in investing activities	$ (0.9)	$ (1.2)	$ 0.3
Net cash provided by financing activities	$ 2.7	$ —	$ 2.7

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

	September 30, 2021	December 31, 2020
Cash and cash equivalents	$ 4.9	$ 5.1
Borrowing capacity on unpledged eligible assets	21.1	19.0
Borrowing capacity on committed unsecured lines of credit	0.5	0.5
Borrowing capacity on revolving credit facility, exclusive to GM Financial	2.0	2.0
Total GM Financial available liquidity	$ 28.5	$ 26.6

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

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 September 30, 2021 and December 31, 2020. Refer to the Automotive Liquidity section of this MD&A for additional details.

Credit Facilities In the normal course of business, in addition to using its available cash, GM Financial utilizes borrowings under its credit facilities, which may be secured or unsecured, and GM Financial repays these borrowings as appropriate under its cash management strategy. At September 30, 2021, secured, committed unsecured and uncommitted unsecured credit facilities totaled $26.4 billion, $0.5 billion and $1.2 billion with advances outstanding of $0.9 billion, an insignificant amount and $1.2 billion.

GM Financial Cash Flow (dollars in billions)

	Nine Months Ended		
	September 30, 2021	September 30, 2020	Change
Net cash provided by operating activities	$ 5.6	$ 6.0	$ (0.4)
Net cash used in investing activities	$ (3.2)	$ (5.0)	$ 1.8
Net cash used in financing activities	$ (1.6)	$ (0.4)	$ (1.2)

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

In the nine months ended September 30, 2021, Net cash used in investing activities decreased primarily due to: (1) an increase in proceeds from termination of leased vehicles of $5.6 billion; (2) an increase in collections and recoveries on finance receivables of $5.5 billion; partially offset by (3) an increase in purchases of leased vehicles of $6.2 billion; and (4) an increase in purchases of retail finance receivables of $3.1 billion.

In the nine months ended September 30, 2021, Net cash used in financing activities increased primarily due to: (1) a decrease in borrowings of $6.6 billion; (2) a decrease in preferred stock issuance of $0.5 billion; and (3) an increase in dividend payments of $1.0 billion; partially offset by (4) a decrease in debt repayments of $6.9 billion.

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

Forward-Looking Statements This report and the other reports filed by us with the SEC from time to time, as well as statements incorporated by reference herein and related comments by our management, may include "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgment about possible future events and are often identified by words like “aim,” “anticipate,” “appears,” “approximately,” “believe,” “continue,” “could,” “designed,” “effect,” “estimate,” “evaluate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “may,” “objective,” “outlook,” “plan,” “potential,” “priorities,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” or the negative of any of those words or similar expressions. In making these statements, we rely on assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of important factors, many of which are beyond our control. These factors, which may be revised or supplemented in subsequent reports we file with the SEC, include, among others, the following: (1) our ability to deliver new products, services and customer experiences in response to increased competition and changing consumer preferences in the automotive industry; (2) our ability to timely fund and introduce new and improved vehicle models, including electric vehicles, that are able to attract a sufficient number of consumers; (3) the success of our crossovers, SUVs and full-size pickup trucks; (4) our highly competitive industry, which is characterized by excess manufacturing capacity and the use of incentives, and the introduction of new and improved vehicle models by our competitors; (5) our ability to deliver a broad portfolio of electric vehicles and drive increased consumer adoption; (6) the unique technological, operational, regulatory and competitive risks related to the timing and commercialization of autonomous vehicles; (7) the ongoing COVID-19 pandemic; (8) global automobile market sales volume, which can be volatile; (9) our significant business in China, which is subject to unique operational, competitive, regulatory and economic risks; (10) our joint ventures, which we cannot operate solely for our benefit and over which we may have limited control; (11) the international scale and footprint of our operations, which exposes us to a variety of unique political, economic, competitive and regulatory risks, including the risk of changes in government leadership and laws (including labor, tax and other laws), political instability and economic tensions between governments and changes in international trade policies, new barriers to entry and changes to or withdrawals from free trade agreements, public health crises, including the occurrence of a contagious disease or illness, such as the COVID-19 pandemic, changes in foreign exchange rates and interest rates, economic downturns in the countries in which we operate, differing local product preferences and product requirements, changes to and compliance with U.S. and foreign countries' export controls and economic sanctions, differing labor regulations, requirements and union relationships, differing dealer and franchise regulations and relationships, and difficulties in obtaining financing in foreign countries; (12) any significant disruption, including any work stoppages, at any of our manufacturing facilities; (13) the ability of our suppliers to deliver parts, systems and components without disruption and at such times to allow us to meet production schedules; (14) prices of raw materials used by us and our suppliers; (15) our ability to successfully and cost-effectively restructure our operations in the U.S. and various other countries and initiate additional cost reduction actions with minimal disruption; (16) the possibility that competitors may independently develop products and services similar to ours, or that our intellectual property rights are not sufficient to prevent competitors from developing or selling those products or services; (17) our ability to manage risks related to security breaches and other disruptions to our information technology systems and networked products, including connected vehicles and in-vehicle systems; (18) our ability to comply with increasingly complex, restrictive and punitive regulations relating to our enterprise data practices, including the collection, use, sharing and security of the Personal Identifiable Information of our customers, employees, or suppliers; (19) our ability to comply with extensive laws, regulations and policies applicable to our operations and products, including those relating to fuel economy and emissions and autonomous vehicles; (20) costs and risks associated with litigation and government investigations; (21) the costs and effect on our reputation of product safety recalls and alleged defects in products and services; (22) any additional tax expense or exposure; (23) our continued ability to develop captive financing capability through GM Financial; and (24) any significant increase in our pension funding requirements. A further list and description of these risks, uncertainties and other factors can be found in our 2020 Form 10-K and our subsequent filings with the SEC.

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

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

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Item 4. Controls and Procedures

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

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

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

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PART II

Item 1. Legal Proceedings

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

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Item 1A. Risk Factors

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

* * * * * * *

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

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

	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
July 1, 2021 through July 31, 2021	3,372	$ 59.05	—	$3.3 billion
August 1, 2021 through August 31, 2021	—	$ —	—	$3.3 billion
September 1, 2021 through September 30, 2021	—	$ —	—	$3.3 billion
Total	3,372	$ 59.05	—	

(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 relating to compensation plans. Refer to our 2020 Form 10-K for additional details on employee stock incentive plans.
(b) In January 2017, we announced that our Board of Directors had authorized the purchase of up to $5.0 billion of our common stock with no expiration date.

* * * * * * *

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 17, 2021, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of General Motors Company filed on August 23, 2021	Incorporated by Reference
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 September 30, 2021, formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) the Condensed Consolidated Income Statements, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Equity and (vi) Notes to the Condensed Consolidated Financial Statements	Filed Herewith
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted as Inline XBRL and contained in Exhibit 101	Filed Herewith

* * * * * * *

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: October 27, 2021

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
Chair and Chief Executive Officer

Date: October 27, 2021

Exhibit 31.2

CERTIFICATION

I, Paul A. Jacobson, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PAUL A. JACOBSON

Paul A. Jacobson
Executive Vice President and Chief Financial Officer

Date: October 27, 2021

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 September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MARY T. BARRA
Mary T. Barra
Chair and Chief Executive Officer

/s/ PAUL A. JACOBSON
Paul A. Jacobson
Executive Vice President and Chief Financial Officer

Date: October 27, 2021