

# Ally Financial Inc.

## 4Q 2019 Earnings Review

January 22, 2020

A large, stylized graphic of the number '9' in a dark purple color, partially overlapping the white circle of the Ally logo.

**ally**  
do it right.

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# Forward-Looking Statements and Additional Information

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This presentation and related communications should be read in conjunction with the financial statements, notes, and other information contained in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. This information is preliminary and based on company and third-party data available at the time of the presentation or related communication.

This presentation and related communications contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts—such as statements about the outlook for various financial and operating metrics and statements about future capital allocation and actions. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “pursue,” “seek,” “continue,” “estimate,” “project,” “outlook,” “forecast,” “potential,” “target,” “objective,” “trend,” “plan,” “goal,” “initiative,” “priorities,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements are described in our Annual Report on Form 10-K for the year ended December 31, 2018, our subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, or other applicable documents that are filed or furnished with the U.S. Securities and Exchange Commission (collectively, our “SEC filings”). Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent SEC filings.

This presentation and related communications contain specifically identified non-GAAP financial measures, which supplement the results that are reported according to U.S. generally accepted accounting principles (“GAAP”). These non-GAAP financial measures may be useful to investors but should not be viewed in isolation from, or as a substitute for, GAAP results. Differences between non-GAAP financial measures and comparable GAAP financial measures are reconciled in the presentation.

Unless the context otherwise requires, the following definitions apply. The term “loans” means the following consumer and commercial products associated with our direct and indirect financing activities: loans, retail installment sales contracts, lines of credit, and other financing products excluding operating leases. The term “operating leases” means consumer- and commercial-vehicle lease agreements where Ally is the lessor and the lessee is generally not obligated to acquire ownership of the vehicle at lease-end or compensate Ally for the vehicle’s residual value. The terms “lend,” “finance,” and “originate” mean our direct extension or origination of loans, our purchase or acquisition of loans, or our purchase of operating leases, as applicable. The term “consumer” means all consumer products associated with our loan and operating-lease activities and all commercial retail installment sales contracts. The term “commercial” means all commercial products associated with our loan activities, other than commercial retail installment sales contracts.

# GAAP and Core Results – Annual

(\$ millions except per share data)

	2019	2018	2017	2016	2015	2014
GAAP net income (loss) attributable to common shareholders ("NIAC")	\$ 1,715	\$ 1,263	\$ 929	\$ 1,037	\$ (1,282)	\$ 882
Core net income attributable to common shareholders <sup>(1)(2)</sup>	\$ 1,472	\$ 1,427	\$ 1,091	\$ 1,043	\$ 967	\$ 812
GAAP earnings per common share ("EPS") (diluted, NIAC)	\$ 4.34	\$ 2.95	\$ 2.04	\$ 2.15	\$ (2.66)	\$ 1.83
Adjusted EPS <sup>(1)(3)</sup>	\$ 3.72	\$ 3.34	\$ 2.39	\$ 2.16	\$ 2.00	\$ 1.68
Return (net income) on GAAP shareholder's equity	12.4%	9.4%	6.9%	8.0%	8.9%	7.8%
Core ROTCE <sup>(1)(4)</sup>	12.0%	12.3%	9.8%	10.0%	9.4%	7.9%
GAAP common shareholder's equity per share	\$ 38.5	\$ 32.8	\$ 30.9	\$ 28.5	\$ 26.4	\$ 29.5
Adjusted tangible book value per share <sup>(1)(5)</sup>	\$ 35.1	\$ 29.9	\$ 28.1	\$ 26.2	\$ 24.6	\$ 22.7
Efficiency Ratio	53.6%	56.2%	53.9%	54.1%	56.8%	63.4%
Adjusted Efficiency Ratio <sup>(1)(6)</sup>	47.4%	47.6%	45.8%	45.4%	45.3%	50.8%
GAAP total net revenue	\$ 6,394	\$ 5,804	\$ 5,765	\$ 5,437	\$ 4,861	\$ 4,651
Adjusted total net revenue <sup>(1)(7)</sup>	\$ 6,334	\$ 6,011	\$ 5,836	\$ 5,498	\$ 5,262	\$ 4,985

- (1) The following are non-GAAP financial measures which Ally believes are important to the reader of the Consolidated Financial Statements, but which are supplemental to and not a substitute for GAAP measures: Adjusted Earnings per Share (Adjusted EPS), Core pre-tax income, Core net income attributable to common shareholders, Core return on tangible common equity (Core ROTCE), Adjusted efficiency ratio, Adjusted total net revenue, Net financing revenue (excluding Core OID), Adjusted other revenue, Core original issue discount (Core OID) amortization expense, Core outstanding original issue discount balance (Core OID balance), and Adjusted tangible book value per share (Adjusted TBVPS). These measures are used by management and we believe are useful to investors in assessing the company's operating performance and capital. Refer to the Definitions of Non-GAAP Financial Measures and Other Key Terms, and Reconciliation to GAAP later in this document.
- (2) Core net income attributable to common shareholders is a non-GAAP financial measure that serves as the numerator in the calculations of Adjusted EPS and Core ROTCE and that, like those measures, is believed by management to help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See pages 31 and 32 for calculation methodology and details.
- (3) Adjusted earnings per share (Adjusted EPS) is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See page 32 for calculation methodology and details.
- (4) Core return on tangible common equity (Core ROTCE) is a non-GAAP financial measure that management believes is helpful for readers to better understand the ongoing ability of the company to generate returns on its equity base that supports core operations. For purposes of this calculation, tangible common equity is adjusted for Core OID balance and the net deferred tax asset. See page 36 for calculation methodology and details.
- (5) Adjusted tangible book value per share (Adjusted TBVPS) is a non-GAAP financial measure that reflects the book value of equity attributable to shareholders even if tax-effected Core OID balance were accelerated immediately through the financial statements. As a result, management believes Adjusted TBVPS provides the reader with an assessment of value that is more conservative than GAAP common shareholder's equity per share. See page 34 for calculation methodology and details.
- (6) Adjusted efficiency ratio is a non-GAAP financial measure that management believes is helpful to readers in comparing the efficiency of its core banking and lending businesses with those of its peers. Adjusted efficiency ratio generally adjusts for Insurance segment revenue and expense, rep and warrant expense and Core OID. See page 38 for calculation methodology and details.
- (7) Adjusted total net revenue is a non-GAAP financial measure that adjusts GAAP total net revenue for Core OID and for change in the fair value of equity securities due to the implementation of ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See page 43 for calculation methodology and details.

# GAAP and Core Results – Quarterly

(\$ millions except per share data)

	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18
GAAP net income attributable to common shareholders ("NIAC")	\$ 378	\$ 381	\$ 582	\$ 374	\$ 290
Core net income attributable to common shareholders <sup>(1)(2)</sup>	\$ 364	\$ 396	\$ 387	\$ 325	\$ 382
GAAP earnings per common share ("EPS") ( <i>diluted, NIAC</i> )	\$ 0.99	\$ 0.97	\$ 1.46	\$ 0.92	\$ 0.70
Adjusted EPS <sup>(1)(3)</sup>	\$ 0.95	\$ 1.01	\$ 0.97	\$ 0.80	\$ 0.92
Return (net income) on GAAP shareholder's equity	10.5%	10.6%	16.6%	11.1%	8.8%
Core ROTCE <sup>(1)(4)</sup>	11.2%	12.3%	12.4%	10.9%	13.4%
GAAP common shareholder's equity per share	\$ 38.5	\$ 37.7	\$ 36.4	\$ 34.3	\$ 32.8
Adjusted tangible book value per share <sup>(1)(5)</sup>	\$ 35.1	\$ 34.7	\$ 33.6	\$ 31.4	\$ 29.9
Efficiency Ratio	53.6%	52.3%	56.8%	51.9%	55.9%
Adjusted Efficiency Ratio <sup>(1)(6)</sup>	49.4%	45.3%	46.1%	48.9%	46.9%
GAAP total net revenue	\$ 1,643	\$ 1,601	\$ 1,552	\$ 1,598	\$ 1,438
Adjusted total net revenue <sup>(1)(7)</sup>	\$ 1,622	\$ 1,620	\$ 1,557	\$ 1,535	\$ 1,556

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# 2019 Full-Year Highlights

## Continued Delivering Against Our Long-Term Objectives

### > Adjusted EPS<sup>(1)</sup> of \$3.72 – up 12% YoY | Core ROTCE<sup>(1)</sup> of 12.0%

- Adjusted total net revenue<sup>(1)</sup> of \$6.3 billion – up 5% YoY

### > Auto: Solid origination volumes and enhanced risk-adjusted returns

- Consumer auto originations of \$36.3 billion – sourced from a record 12.6 million applications
- Retail auto portfolio yield of 6.60% – expansion of 46 bps YoY
  - Estimated retail auto originated yield<sup>(2)</sup> of 7.44% for FY 2019 – up 37 bps YoY
- Consistent credit profile, retail auto net-charge off rate of 1.29% – down 4 bps YoY

### > Insurance: Written premiums of \$1.31 billion, up 12% YoY – highest in 12 years

### > Deposits, Consumer & Commercial Products: Steady execution and sustained momentum

- Ending Total Deposits of \$120.8 billion and Retail Deposits of \$103.7 billion – both up \$14.6 billion YoY
- Deposit customers of 1.97 million at year-end, up 322k YoY – highest annual growth for Ally Bank
- Ally Home® – \$2.7 billion direct-to-consumer originations – 4x 2018 originated volume
- Ally Invest – self-directed net funded accounts up 15% YoY
- Closed acquisition of Health Credit Services in 4Q – rebranding as Ally Lending
- Corporate Finance held-for-investment balances of \$5.7 billion increased 23% YoY

### > 2019 common stock repurchases and dividends of \$1.3 billion, increased 11% YoY

### > S&P and Fitch Ratings upgraded Ally Financial's senior unsecured credit rating to investment grade<sup>(3)</sup>

(1) Represents a non-GAAP financial measure. See pages 32, 36 and 43 for calculation methodology and details.

(2) Estimated Retail Auto Originated Yield is a forward-looking non-GAAP financial measure determined by calculating the estimated average annualized yield for loans originated during the period. See page 31 for details.

(3) S&P and Fitch Ratings define investment grade bonds with a minimum rating of BBB-; Ally was upgraded by both rating agencies from BB+ to BBB- in 2019.

# 2019 Full-Year Financial Performance

Met or Exceeded ALL Investor Guidance

2019 Outlook

2019 Actuals

Adjusted EPS <sup>(1)</sup>  
Growth

Up 7 – 10%

\$3.72 | ↑ 12%



Core ROTCE <sup>(1)</sup>

12 – 13% +

12.0%



Adjusted Total  
Net Revenue <sup>(1)</sup>

Up 4 – 6%

\$6.33B | ↑ 5%



Adjusted  
Efficiency Ratio <sup>(1)</sup>

Flat to Down 1%

47.4% | ↓ 21bps



Retail Auto  
NCO %

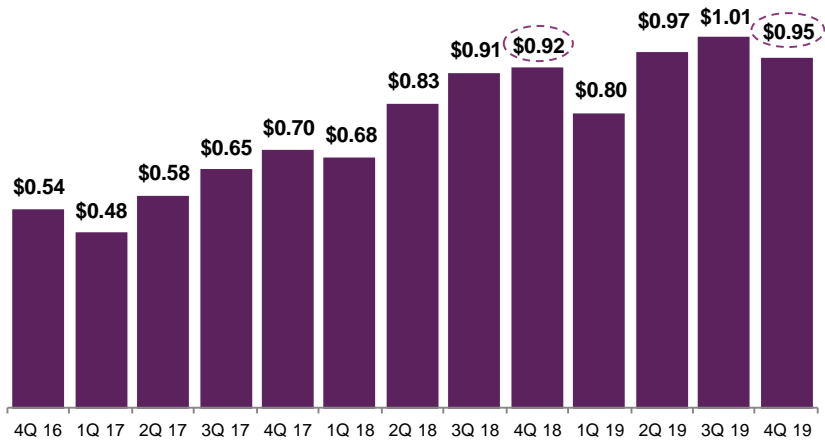
< 1.4%

1.29%



# Core Metric Trends

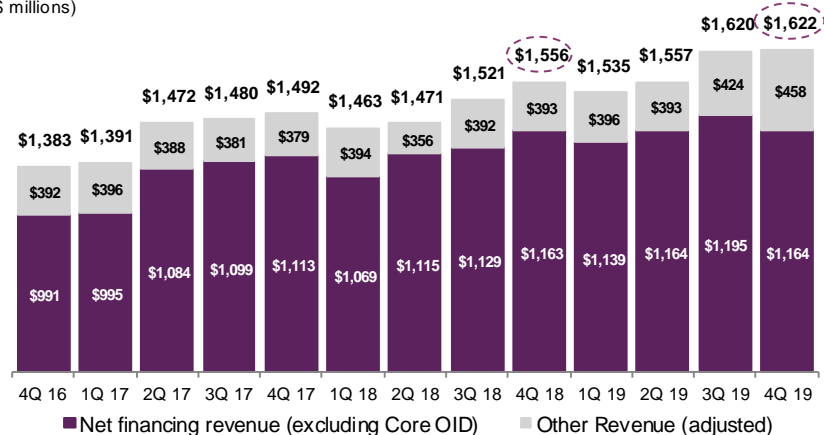
## Adjusted Earnings Per Share<sup>(1)</sup>



(1) Represents a non-GAAP financial measure. See page 33 for details.

## Adjusted Total Net Revenue<sup>(2)</sup>

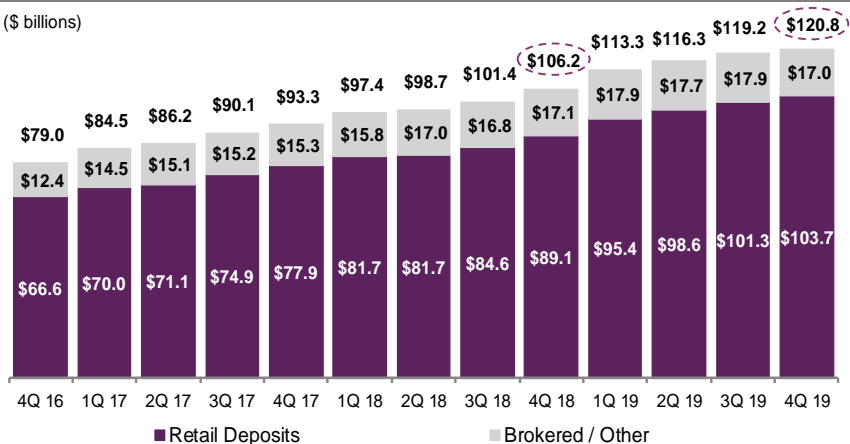
(\$ millions)



(2) Represents a non-GAAP financial measure. See page 44 for details.

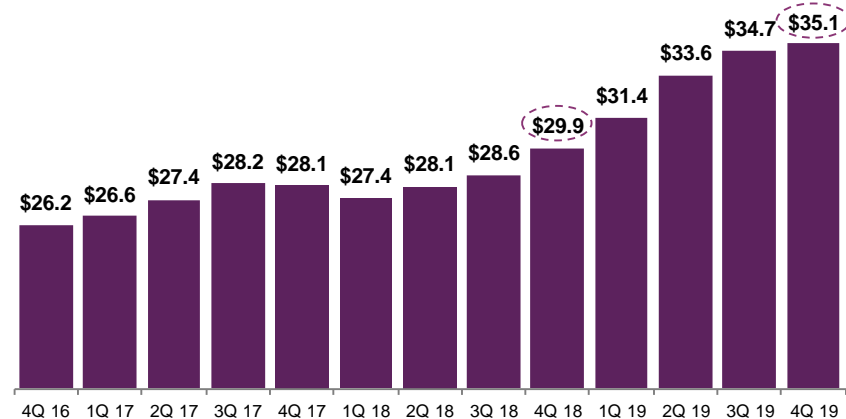
## Total Deposits

(\$ billions)



Note: Brokered includes sweep deposits. Other includes mortgage escrow and other deposits.

## Adjusted Tangible Book Value per Share<sup>(3)</sup>

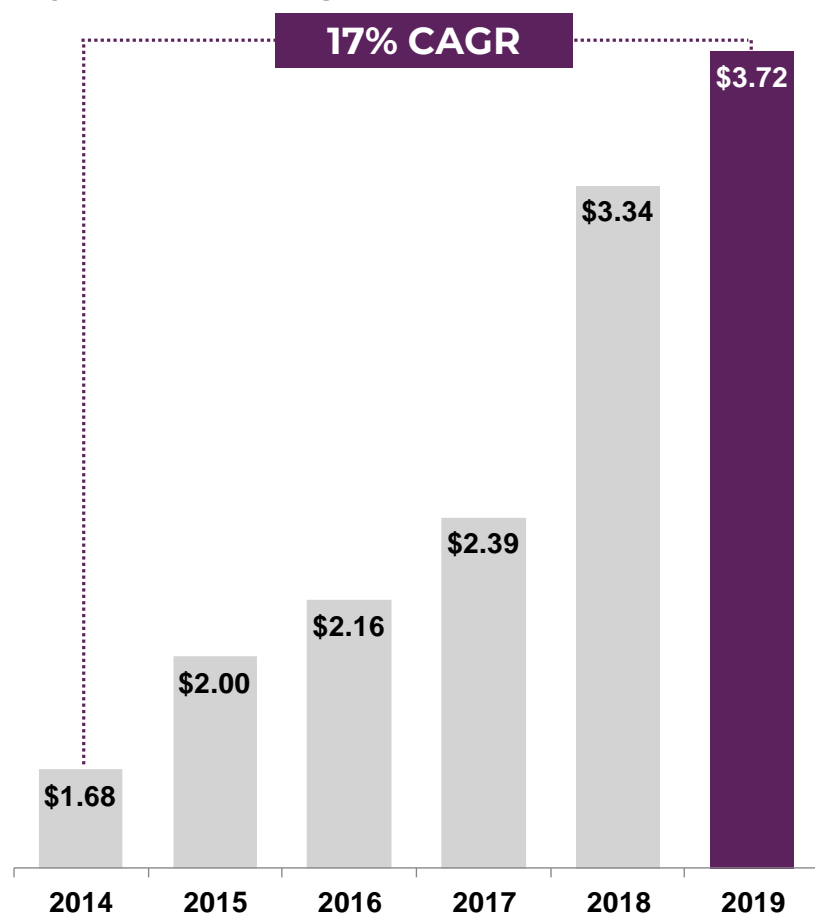


(3) Represents a non-GAAP financial measure. See page 35 for details.

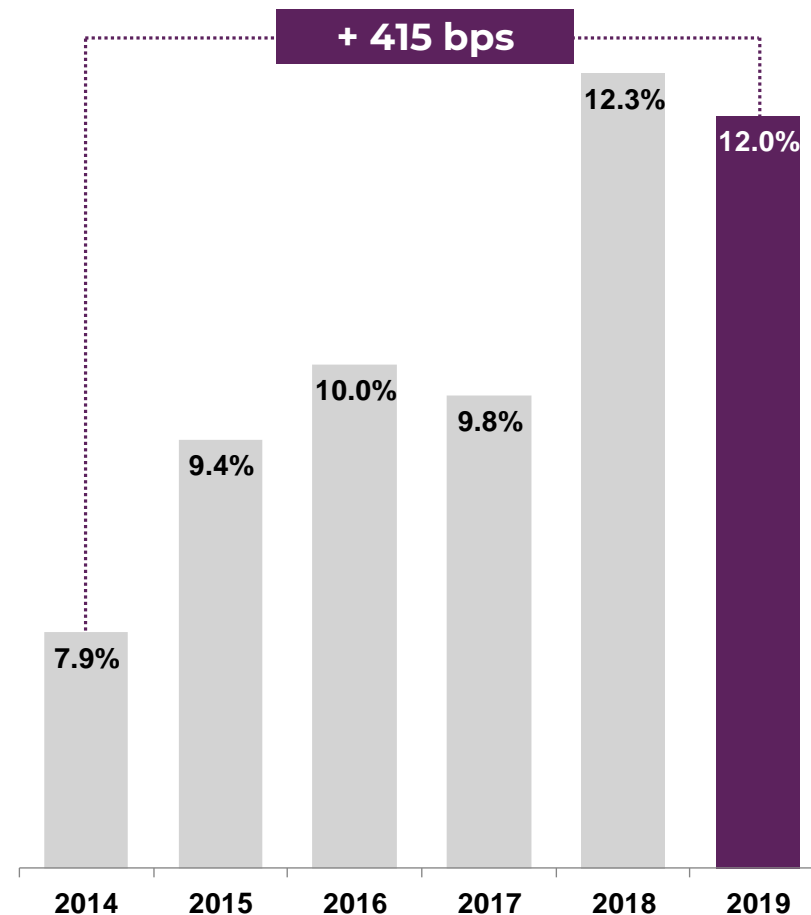
# Adjusted EPS<sup>(1)</sup> and Core ROTCE<sup>(1)</sup>

## Sustained Financial Improvement

### Adjusted Earnings per Share<sup>(1)</sup>



### Core ROTCE<sup>(1)</sup>



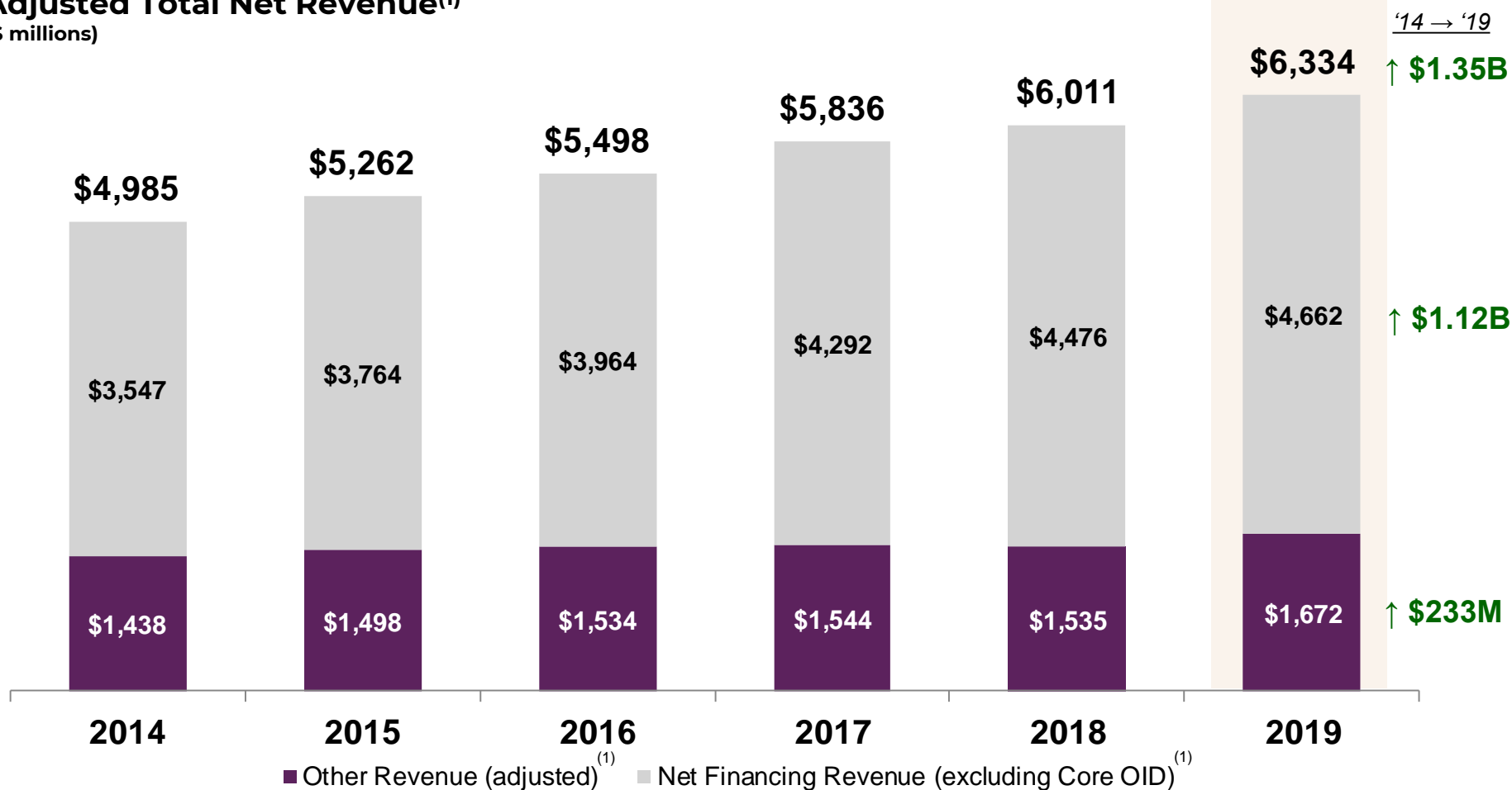
(1) Represents a non-GAAP financial measure. See page 32 and 36 for details.



# Adjusted Total Net Revenue<sup>(1)</sup>

## Balance Sheet Powering Ongoing Revenue Expansion

Adjusted Total Net Revenue<sup>(1)</sup>  
(\$ millions)

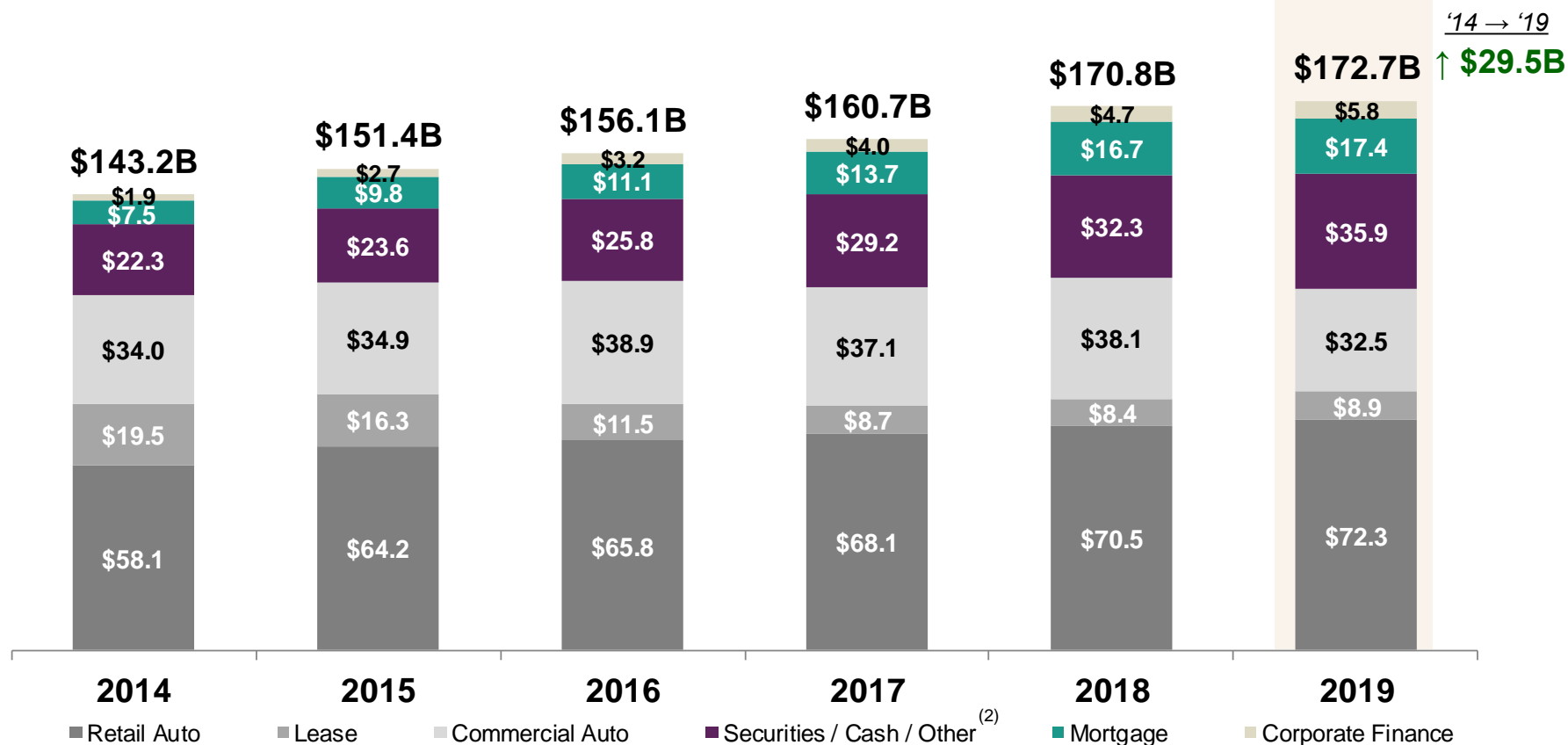


(1) Represents a non-GAAP financial measure. Excludes Core OID from Net Financing Revenue. Excludes activity related to the extinguishment of high-cost legacy debt and for change in the fair value of equity securities due to the implementation of ASU 2016-01, effective 1/1/18, which requires change in the fair value of equity securities to be recognized in current period net income as compared to prior periods in which such adjustments were recognized through other comprehensive income, a component of equity, and repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, from Other Revenue. See page 43 for calculation methodology and details.

# Earning Asset Trends

## Steady Growth and Ongoing Asset Optimization

(\$ billions; end of period balances)



### Risk-weighted assets ("RWA") (1)

\$130.6B      \$135.8B      \$138.5B      \$138.9B      \$146.6B      \$145.0B ↑ \$14.4B

Note: Retail auto loans exclude fair value adjustments for loans in hedge accounting relationship.

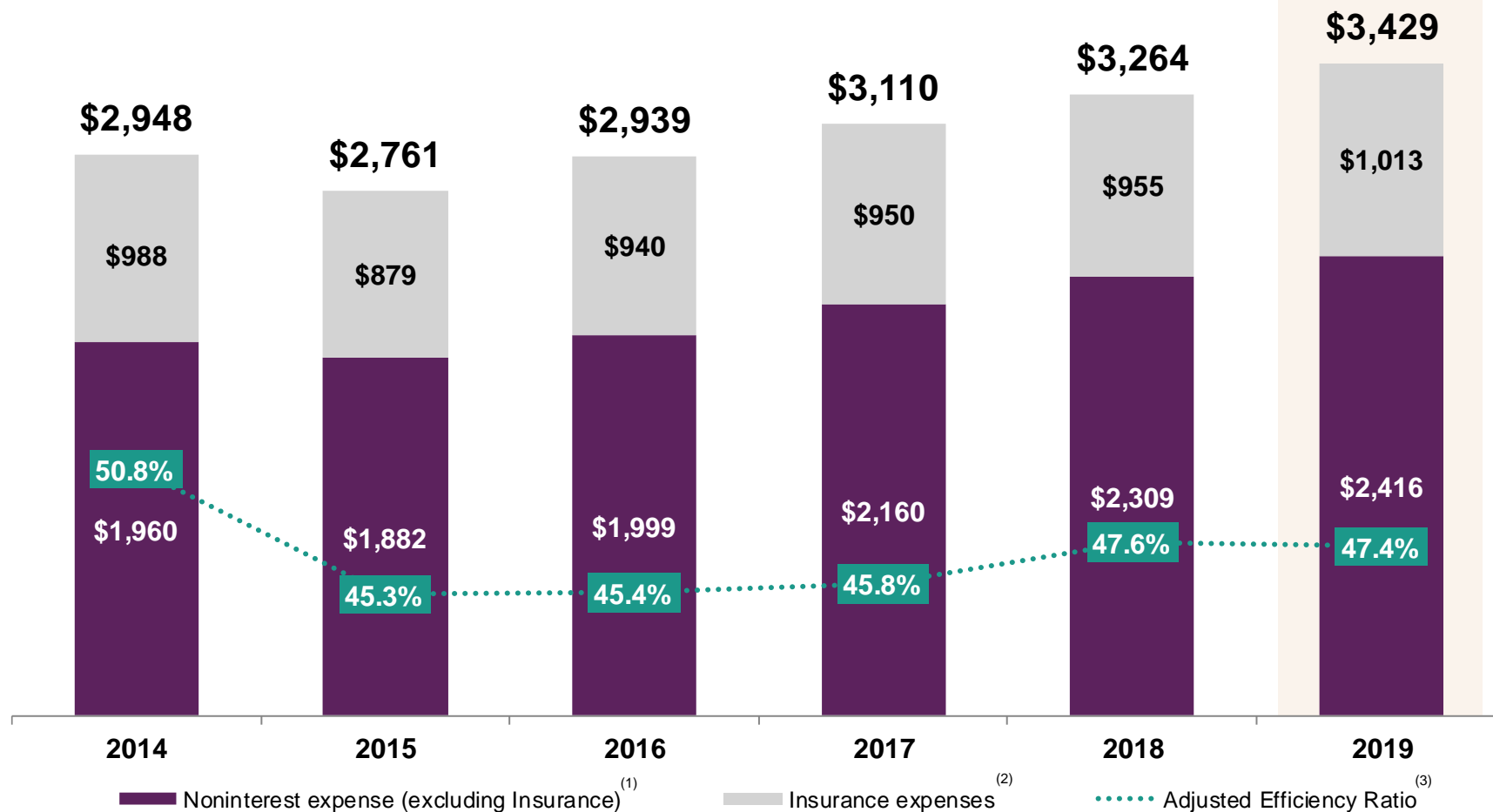
(1) Risk-weighted assets are Basel III transitional for 2015 – 2019, Basel I for 2014.

(2) 'Other' includes held-for-investment loans associated with Ally Lending, and excludes FHLB & FRB investments and restricted cash.

# Noninterest Expense

Focused on Efficiency Gains While Prudently Investing for the Future

(\$ millions)



(1) Noninterest expense (excluding Insurance) is comprised of compensation & benefits, information technology, servicing and other unspecified noninterest expenses.

(2) Insurance expenses represents the segment's noninterest expenses.

(3) Represents a non-GAAP financial measure. See page 38 for calculation methodology and details.

# Fourth Quarter and Full-Year 2019 Financial Results

(\$ millions; except per share data)

	4Q 19	3Q 19	4Q 18	2019	2018
Net financing revenue (excluding Core OID) <sup>(1)</sup>	\$ 1,164	\$ 1,195	\$ 1,163	\$ 4,662	\$ 4,476
Core OID	(8)	(7)	(23)	(29)	(86)
Net financing revenue (as reported)	\$ 1,156	\$ 1,188	\$ 1,140	\$ 4,633	\$ 4,390
Other revenue (excluding change in fair value of equity securities) <sup>(2)</sup>	458	424	393	1,672	1,535
Change in fair value of equity securities <sup>(2)</sup>	29	(11)	(95)	89	(121)
Other revenue (as reported)	487	413	298	1,761	1,414
Provision for loan losses	276	263	266	998	918
Noninterest expense	880	838	804	3,429	3,264
<b>Pre-tax income from continuing operations</b>	<b>\$ 487</b>	<b>\$ 500</b>	<b>\$ 368</b>	<b>\$ 1,967</b>	<b>\$ 1,622</b>
Income tax expense / (benefit)	106	119	79	246	359
(Loss) / income from discontinued operations, net of tax	(3)	-	1	(6)	-
<b>Net income</b>	<b>\$ 378</b>	<b>\$ 381</b>	<b>\$ 290</b>	<b>\$ 1,715</b>	<b>\$ 1,263</b>

	4Q 19	3Q 19	4Q 18	2019	2018
<b>GAAP EPS (diluted)</b>	<b>\$ 0.99</b>	<b>\$ 0.97</b>	<b>\$ 0.70</b>	<b>\$ 4.34</b>	<b>\$ 2.95</b>
Discontinued operations, net of tax	0.01	-	(0.00)	0.02	-
Core OID, net of tax	0.02	0.02	0.04	0.06	0.16
Change in fair value of equity securities, net of tax	(0.06)	0.02	0.18	(0.18)	0.22
Significant discrete tax items <sup>(4)</sup>	-	-	-	(0.51)	-
<b>Adjusted EPS <sup>(3)</sup></b>	<b>\$ 0.95</b>	<b>\$ 1.01</b>	<b>\$ 0.92</b>	<b>\$ 3.72</b>	<b>\$ 3.34</b>
<b>Core ROTCE <sup>(3)</sup></b>	<b>11.2%</b>	<b>12.3%</b>	<b>13.4%</b>	<b>12.0%</b>	<b>12.3%</b>
<b>Adjusted Efficiency Ratio <sup>(3)</sup></b>	<b>49.4%</b>	<b>45.3%</b>	<b>46.9%</b>	<b>47.4%</b>	<b>47.6%</b>
<b>Effective Tax Rate <sup>(4)</sup></b>	<b>21.7%</b>	<b>23.9%</b>	<b>21.5%</b>	<b>12.5%</b>	<b>22.1%</b>

excluding discrete tax benefit of \$201M: 22.8% <sup>(4)</sup>

(1) Represents a non-GAAP financial measure. Adjusted for Core OID. See pages 40, 41 and 42 for calculation methodology and details.

(2) Represents a non-GAAP financial measure. Adjusted for change in the fair value of equity securities due to the implementation of ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. For Non-GAAP calculation methodology and details see pages 40, 41 and 42.

(3) For Non-GAAP calculation methodology and details see pages 32 and 33.

(4) Significant discrete tax items do not relate to the operating performance of the core businesses. 2019 effective tax rate was significantly impacted by the release of valuation allowance on foreign tax credit carryforwards. See page 30 for calculation methodology.

# Balance Sheet and Net Interest Margin

(\$ millions)	4Q 19		3Q 19		4Q 18		2019		2018	
	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield
Retail Auto Loan	\$ 72,626	6.68%	\$ 73,162	6.66%	\$ 69,982	6.39%	\$ 72,268	6.60%	\$ 69,804	6.14%
<i>memo: Retail Auto Loan (excluding hedge impact)</i>		6.74%		6.66%		6.34%		6.61%		6.14%
Auto Lease (net of depreciation)	8,749	5.19%	8,525	6.24%	8,516	5.82%	8,509	5.74%	8,590	5.40%
Commercial Auto	31,921	4.25%	33,273	4.59%	36,815	4.55%	33,886	4.61%	35,570	4.26%
Corporate Finance	5,526	6.65%	5,166	7.14%	4,402	7.48%	5,162	7.23%	4,235	7.58%
Mortgage <sup>(1)</sup>	17,140	3.46%	17,723	3.51%	16,602	3.73%	17,473	3.63%	15,295	3.64%
Cash, Securities and Other <sup>(2)</sup>	37,867	2.71%	36,467	2.82%	33,511	3.02%	36,434	2.88%	32,079	2.74%
<b>Total Earning Assets</b>	<b>\$ 173,829</b>	<b>4.97%</b>	<b>\$ 174,316</b>	<b>5.14%</b>	<b>\$ 169,828</b>	<b>5.06%</b>	<b>\$ 173,732</b>	<b>5.11%</b>	<b>\$ 165,573</b>	<b>4.85%</b>
Unsecured Debt <sup>(3)(6)</sup>	\$ 12,741	6.20%	\$ 13,164	6.15%	\$ 13,963	6.14%	\$ 12,831	6.26%	\$ 15,287	5.80%
Secured Debt	9,563	2.92%	9,860	3.02%	18,029	2.95%	12,302	3.07%	18,346	2.71%
Deposits <sup>(4)</sup>	120,057	2.11%	117,638	2.22%	103,802	2.00%	115,385	2.20%	99,189	1.75%
Other Borrowings <sup>(5)</sup>	18,000	2.42%	19,996	2.48%	22,451	2.33%	20,097	2.47%	21,070	2.06%
<b>Total Funding Sources <sup>(3)</sup></b>	<b>\$ 160,361</b>	<b>2.51%</b>	<b>\$ 160,658</b>	<b>2.62%</b>	<b>\$ 158,245</b>	<b>2.52%</b>	<b>\$ 160,615</b>	<b>2.62%</b>	<b>\$ 153,892</b>	<b>2.31%</b>
<b>NIM (excluding Core OID) <sup>(3)</sup></b>	<b>2.66%</b>		<b>2.72%</b>		<b>2.72%</b>		<b>2.68%</b>		<b>2.70%</b>	
<b>NIM (as reported)</b>	<b>2.64%</b>		<b>2.70%</b>		<b>2.66%</b>		<b>2.67%</b>		<b>2.65%</b>	

(1) Mortgage includes held-for-investment (HFI) loans from the Mortgage Finance segment and the HFI legacy mortgage portfolio in run-off at the Corporate & Other segment.

(2) 'Other' includes Ally Lending held-for-investment consumer loans.

(3) Represents a non-GAAP financial measure. Excludes Core OID and Core OID balance. See page 43 and 44 for calculation methodology and details.

(4) Includes retail, brokered (inclusive of sweep deposits) and other deposits (inclusive of mortgage escrow and other deposits).

(5) Includes Demand Notes, FHLB borrowings and Repurchase Agreements.

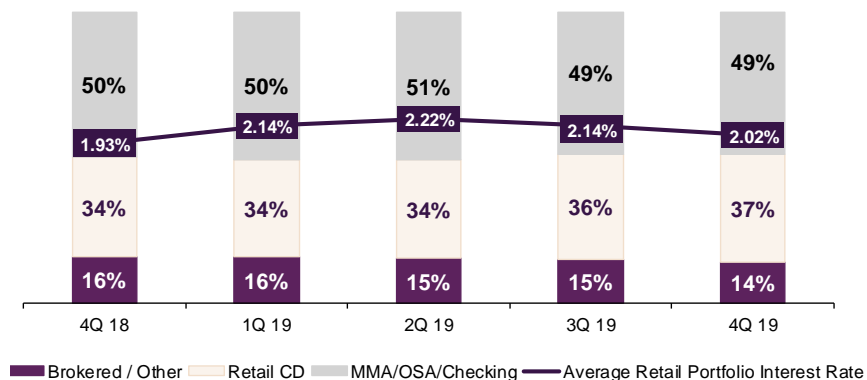
(6) Includes trust preferred securities.

# Deposits

- Total deposits of \$120.8 billion, up \$14.6 billion or 14% YoY
  - Strong customer retention rate at 96%
- Ending retail deposits at \$103.7 billion, up a record \$14.6 billion YoY for Ally Bank and up \$2.4 billion QoQ
- Deposits represent 75% of total funding<sup>(1)</sup>
- 1.97 million retail deposit customers, up 20% YoY
- Named “Best Online Bank” by Money® Magazine for the seventh time

## Deposit Mix & Retail Rate Trend

Deposit Composition (EOP) and Average Retail Portfolio Interest Rate

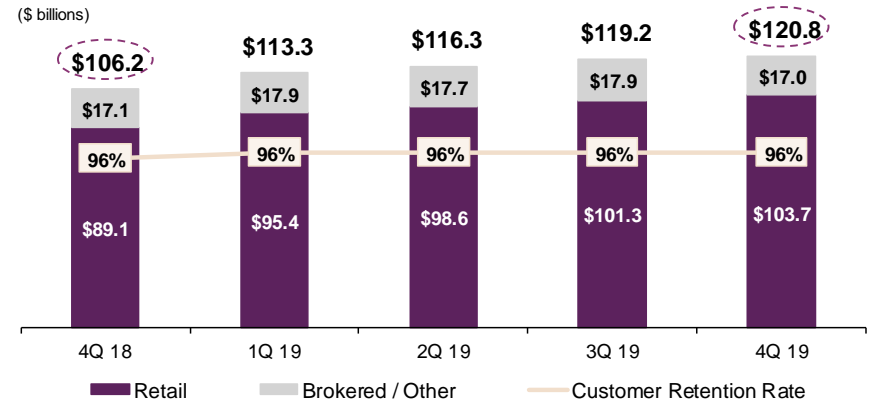


Note: Brokered includes sweep deposits. Other includes mortgage escrow and other deposits.

(1) Excludes Core OID and Core OID balance. See page 44 for calculation methodology and details.

## Retail Deposit Balance Growth

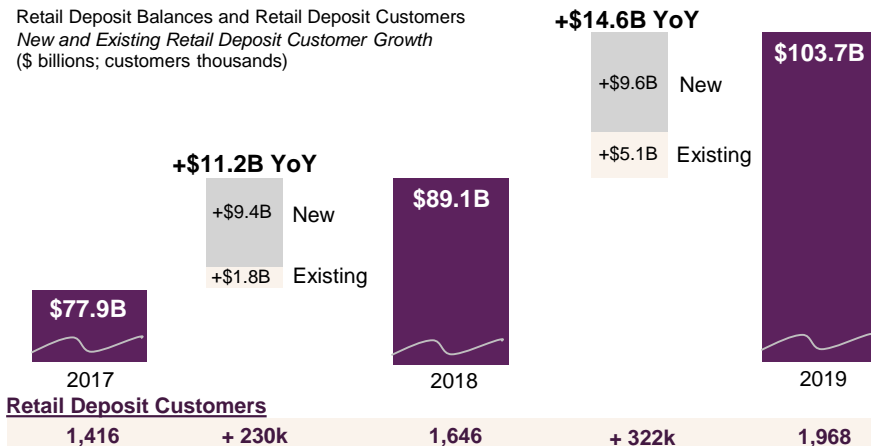
Deposit Levels (EOP) and Customer Retention Rate



Note: Brokered includes sweep deposits. Other includes mortgage escrow and other deposits. See page 31 for Customer Retention Rate definition.

## Retail Balance & Customer Growth

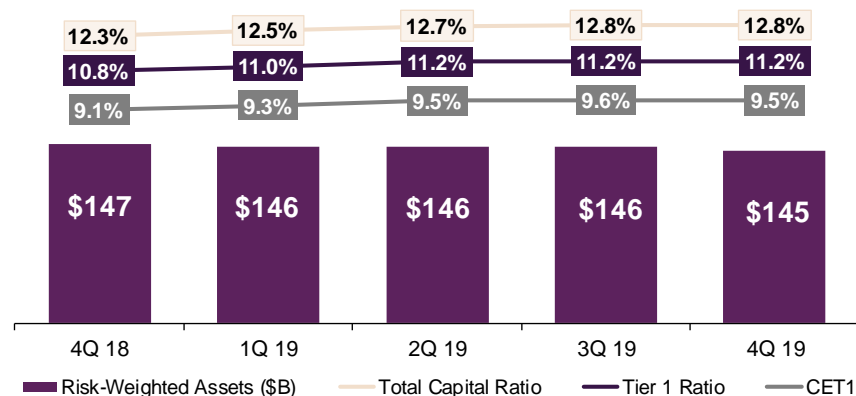
Retail Deposit Balances and Retail Deposit Customers  
New and Existing Retail Deposit Customer Growth  
(\$ billions; customers thousands)



# Capital

- **Preliminary Basel III transition CET1 ratio of 9.5%**
  - YoY risk-weighted asset decline driven by lower commercial auto balances
- **Repurchased 9.6M shares in 4Q 19 – nearly 23% of shares repurchased in aggregate since program inception**
- **Ally's Board of Directors approved a \$0.19 per share common dividend for the first quarter of 2020, reflecting a \$0.02 increase per share relative to the prior quarter dividend**

## Capital Ratios and Risk-Weighted Assets

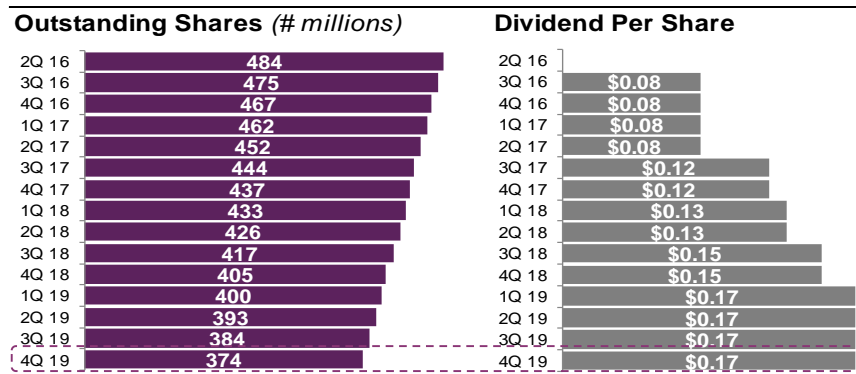


Note: Basel III rules became effective on January 1, 2015, subject to transition provisions primarily related to deductions and adjustments impacting CET1 capital and Tier 1 capital.

## Shareholder Distributions – Share Repurchases and Common Stock Dividends

	4Q 19	Since Inception
Shares Repurchased (MM)	9.6	121.0
Dollars (\$MM)	\$299	\$3,055
Average Price Paid Per Share	\$31.25	\$25.26
Shares Outstanding Decrease (net)	-2.4%	-22.6%

Note: 'Since Inception' is activity in 3Q 16 - 4Q 19. Shares Repurchased include shares withheld to cover income taxes owed by participants related to share-based incentive plans. Excludes commissions.



# CECL Perspectives

## Day 1 Reserve

- **Expect day 1 implementation of Current Expected Credit Losses (“CECL”) accounting standard on January 1, 2020 to result in approximately 106% increase to 4Q reserves**
  - Expect 1Q 20 CET1 impact of 17-19bps (in accordance with phase-in), based on tax-effected reserves

## Ongoing Disclosure

- **Ally expects to provide key drivers of provisioning and reserving under CECL construct**



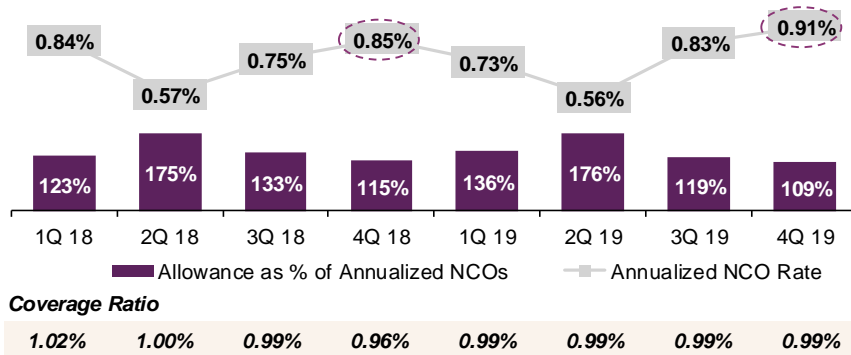
## Points of Emphasis

- **Ongoing determination of reserve levels by management will continue to utilize quantitative and qualitative information**
- **Key macroeconomic drivers embedded in Ally’s quantitative forecast of lifetime losses:**
  - Reasonable and Supportable Period 12 months – Utilizing one macroeconomic scenario
  - Reversion to Mean Period: Occurs in linear manner over 24 months (months 13-36)
  - All macroeconomic variables used for mean reversion, including unemployment, utilize January 2008 – current period data set



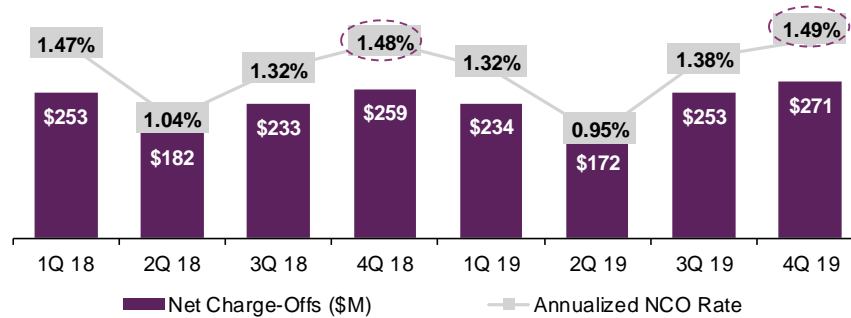
# Asset Quality

## Consolidated Net Charge-Offs



Note: Above loans are classified as held-for-investment and recorded at gross carrying value.

## Retail Auto Net Charge-Offs



Note: See page 31 for definition.

## Provision Expense

(\$ millions)

Provision Expense	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19
Retail Auto	\$ 229	\$ 261	\$ 257	\$ 180	\$ 264	\$ 256
Commercial Auto	-	1	5	-	1	(1)
Mortgage Finance	2	(3)	2	-	-	3
Corporate Finance	8	10	23	3	3	7
Corp/Other	(6)	(3)	(5)	(6)	(5)	11
<b>Total</b>	<b>\$ 233</b>	<b>\$ 266</b>	<b>\$ 282</b>	<b>\$ 177</b>	<b>\$ 263</b>	<b>\$ 276</b>

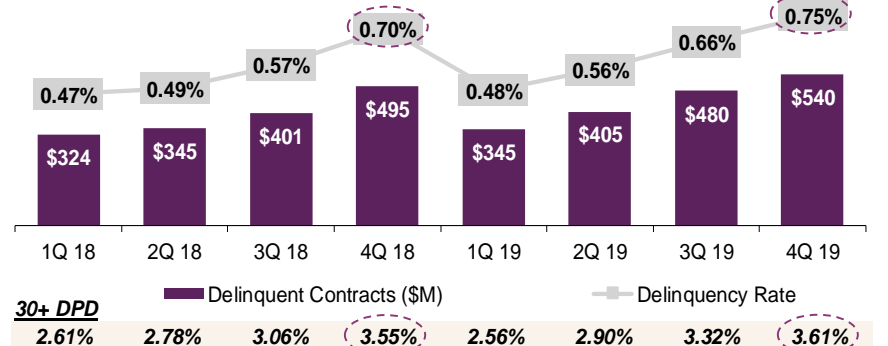
Retail Auto Coverage Ratio 1.49% 1.49% 1.50% 1.48% 1.50% 1.49%

Retail Auto Loan Bal (EOP, \$ billions) \$ 70.0 \$ 70.5 \$ 71.5 \$ 72.7 \$ 72.9 \$ 72.3

Note: Retail auto loans exclude fair value adjustments for loans in hedge accounting relationship.

## Retail Auto Delinquencies (60+ DPD)

(60+ DPD)



Note: Includes accruing contracts only. Days-past-due ("DPD").

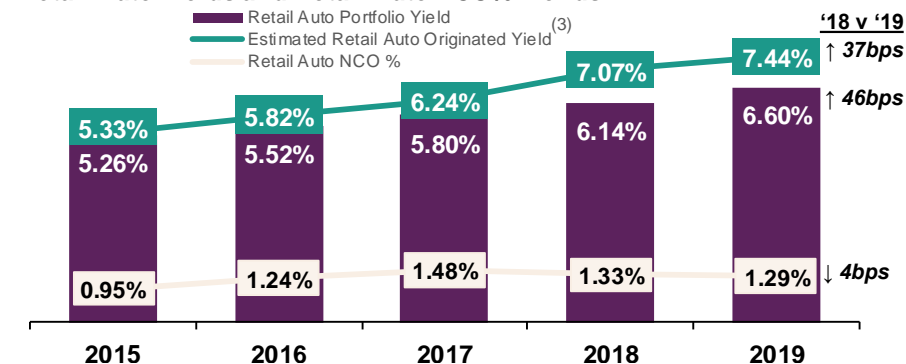
# Auto Finance – Results

- **Pre-tax income of \$401 million, up \$66 million YoY and down \$28 million QoQ**
  - Net financing revenue increased YoY due to higher retail yields and balances, offsetting lower commercial assets primarily from lower inventory levels
    - QoQ decrease due to seasonally lower lease remarketing gains and declining benchmarks, impacting dealer floorplan
  - Noninterest expense up QoQ and YoY primarily supporting servicing and consumer portfolio growth
- **Earning assets of \$113.6 billion, down \$3.5 billion YoY**
  - Lower commercial assets partly offset by higher consumer
- **Solid progress and ongoing optimization across our market-leading, adaptable auto finance franchise**
  - Strong dealer relationships<sup>(2)</sup>, grew to 18.3k in 4Q – 23 consecutive quarters of growth
  - Record 4Q application flow of 2.9 million, up 7% YoY
  - Successful conversion in January 2020 to new servicing and accounting technology platform for 4+ million customers

Key Financials (\$ millions)	4Q 19	Increase/(Decrease) vs.	
		3Q 19	4Q 18
Net financing revenue	\$ 1,061	\$ (17)	\$ 82
Total other revenue	61	2	1
Total net revenue	1,122	(15)	83
Provision for loan losses	255	(10)	(7)
Noninterest expense <sup>(1)</sup>	466	23	24
Pre-tax income	\$ 401	\$ (28)	\$ 66
U.S. auto earning assets (EOP)	\$ 113,608	\$ (1,269)	\$ (3,458)
<b>Net lease revenue (\$ millions)</b>			
Operating lease revenue	\$ 378	\$ 10	\$ 13
Depreciation expense	265	3	(3)
Remarketing gains	3	(26)	(25)
Total depreciation expense	262	28	22
Net lease revenue	\$ 116	\$ (18)	\$ (9)
Lease yield, net	5.19%	-1.05%	-0.63%
Average gain per vehicle	\$ 99	\$ (845)	\$ (990)
Off-lease vehicles terminated (On-balance sheet - # in units)	27,832	(2,153)	2,126

(1) Noninterest expense includes corporate allocations of \$186 million in 4Q 2019, \$184 million in 3Q 2019, and \$182 million in 4Q 2018.

## Retail Auto Yields and Retail Auto NCO% Trends



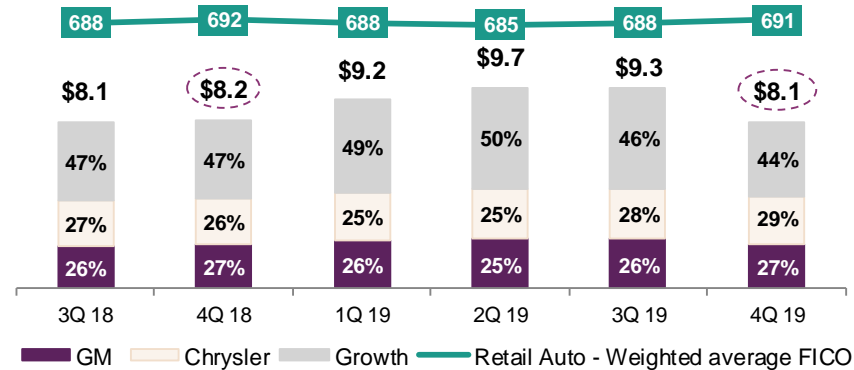
(2) Dealer relationships include Ally active dealers, excluding RV Commercial & Consumer lines of business exited in 2Q 18.

(3) Estimated Retail Auto Originated Yield is a forward-looking non-GAAP financial measure determined by calculating the estimated average annualized yield for loans originated during the period. See page 31 for definitions.

# Auto Finance – Key Metrics

## Consumer Originations

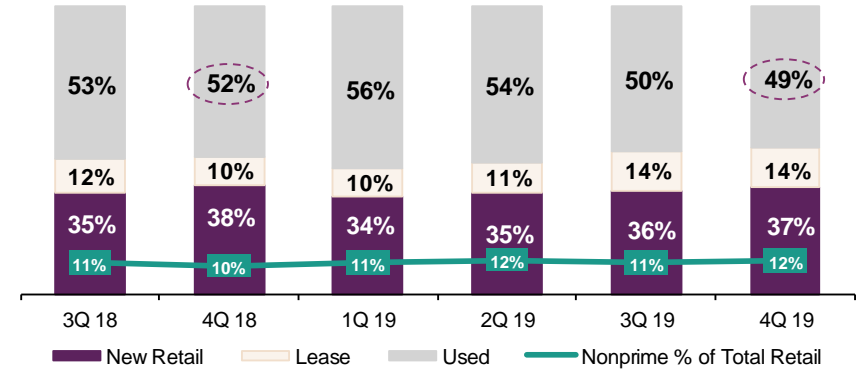
(\$ billions; % of \$ originations)



Note: See page 31 for definition.

## Origination Mix

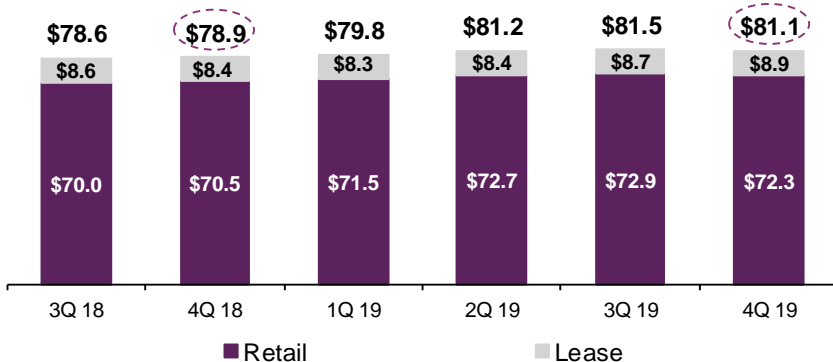
(% of \$ originations)



Note: See page 31 for definition.

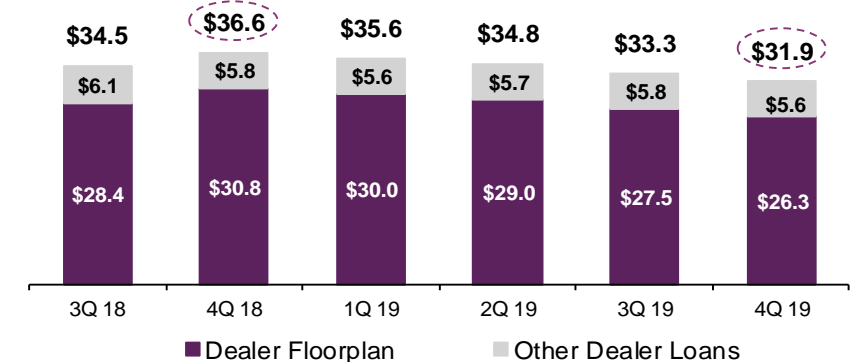
## Consumer Assets

(End of period, \$ billions)



## Commercial Assets

(Average balance, \$ billions)



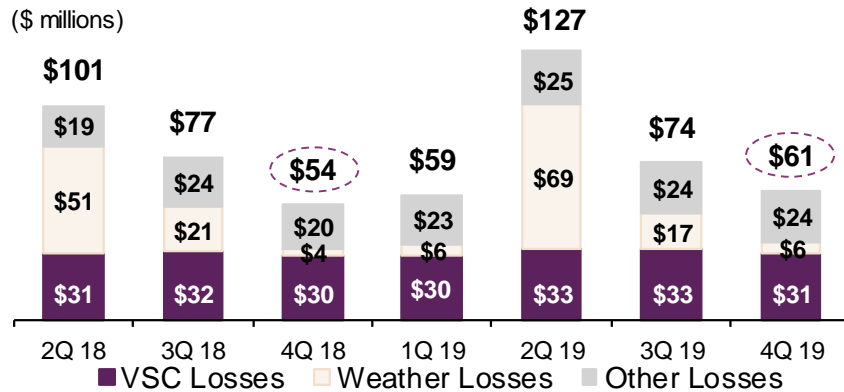
Note: Held-for-investment ("HFI") asset balances reflect the average daily balance for the quarter.

# Insurance

- **Pre-tax income of \$114 million, up \$127 million YoY and up \$58 million QoQ**
- **Core pre-tax income<sup>(1)</sup> of \$86 million, up \$7 million YoY and up \$20 million QoQ**
  - Earned premiums up YoY driven primarily by vehicle inventory insurance portfolio growth
  - Higher YoY loss expense primarily reflects growth in written premiums across product offerings and inventory insurance portfolio growth
  - Investment income up YoY and QoQ driven by higher realized investment gains
- **Written premiums of \$335 million, up \$37 million YoY**
  - Driven by ongoing vehicle inventory insurance portfolio growth and rate increases across various products

## Insurance Losses

(\$ millions)



Key Financials (\$ millions)	4Q 19	Increase/(Decrease) vs.	
		3Q 19	4Q 18
Premiums, service revenue earned and other	\$ 288	\$ 5	\$ 17
Losses and loss adjustment expenses	61	(13)	7
Acquisition and underwriting expenses <sup>(2)</sup>	177	4	16
Total underwriting income	50	14	(6)
Investment income and other (adjusted) <sup>(1)</sup>	36	6	13
Core pre-tax income <sup>(1)</sup>	\$ 86	\$ 20	\$ 7
Change in fair value of equity securities <sup>(1)</sup>	28	38	120
Pre-tax income	\$ 114	\$ 58	\$ 127
Total assets (EOP)	\$ 8,547	\$ 69	\$ 813

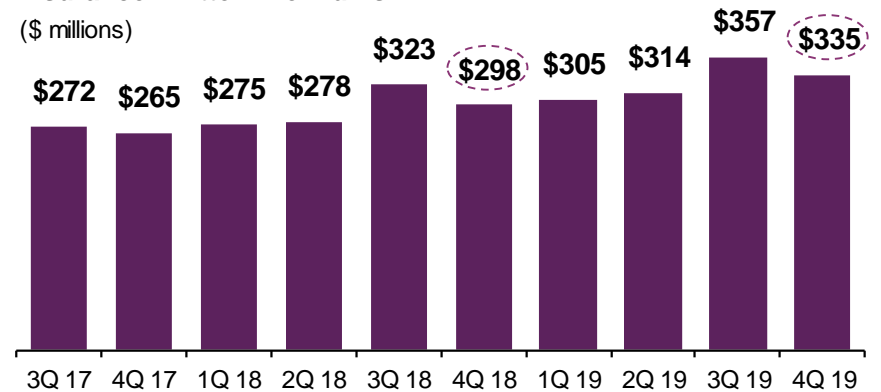
Key Statistics - Insurance Ratios	4Q 19	3Q 19	4Q 18
Loss ratio	21.2%	26.1%	20.1%
Underwriting expense ratio	61.5%	61.4%	59.4%
Combined ratio	82.7%	87.5%	79.5%

(1) Represents a non-GAAP financial measure. Excludes equity fair value adjustments related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See page 42 for details.

(2) Noninterest expense includes corporate allocations of \$13 million in 4Q 2019, \$14 million in 3Q 2019, and \$12 million in 4Q 2018.

## Insurance Written Premiums

(\$ millions)



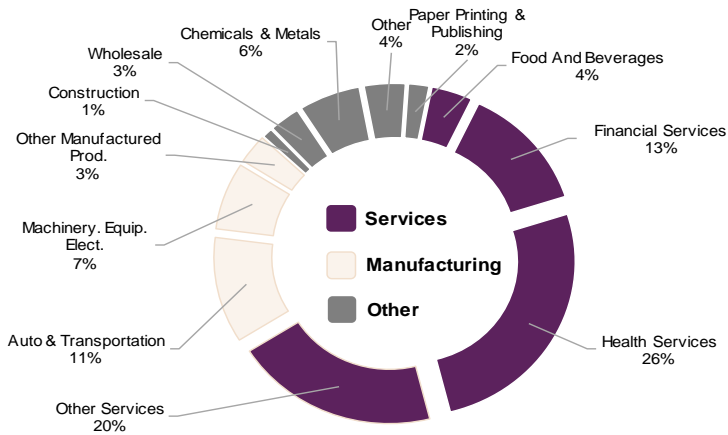
# Corporate Finance

- **Pre-tax income of \$50 million, up \$29 million YoY and up \$6 million QoQ**
- **Core pre-tax income<sup>(1)</sup> of \$50 million, up \$25 million YoY and up \$4 million QoQ**
  - Net financing revenue increase YoY driven by strong loan growth
  - Adjusted total other revenue<sup>(1)</sup> up due to higher syndication fee income and higher investment income
- **Held-for-investment loan portfolio of \$5.7 billion, up 23% YoY**
  - Asset-based products accounted for 90%+ of YoY growth
  - Highly diversified portfolio with continued expansion into new verticals, led by experienced cycle-tested teams

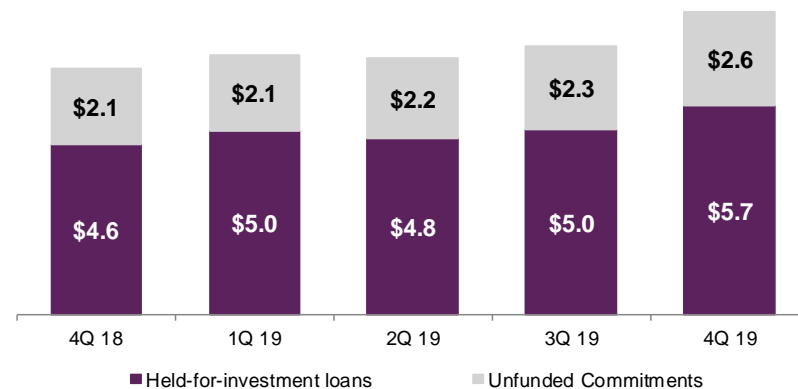
Key Financials (\$ millions)	4Q 19	Increase/(Decrease) vs.	
		3Q 19	4Q 18
Net financing revenue	\$ 64	\$ 4	\$ 13
Adjusted total other revenue <sup>(1)</sup>	15	4	9
Adjusted total net revenue <sup>(1)</sup>	79	8	22
Provision for loan losses	7	4	(3)
Noninterest expense <sup>(2)</sup>	22	-	-
Core pre-tax income <sup>(1)</sup>	\$ 50	\$ 4	\$ 25
Change in fair value of equity securities <sup>(1)</sup>	0	2	4
Pre-tax income	\$ 50	\$ 6	\$ 29
Total assets (EOP)	\$ 5,787	\$ 512	\$ 1,117

- (1) Represents a non-GAAP financial measure. Excludes equity fair value adjustments related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See page 42 for details.
- (2) Noninterest expense includes corporate allocations of \$7 million in 4Q 2019, \$7 million in 3Q 2019, and \$6 million in 4Q 2018.

Corporate Finance Outstandings Loan Portfolio by Industry - 12/31/2019



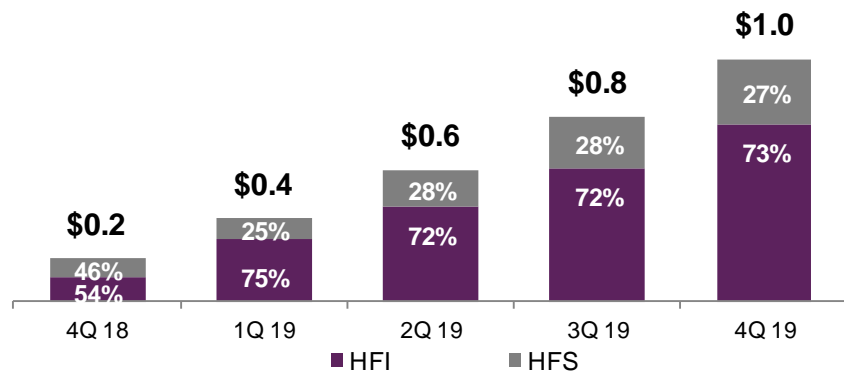
Corporate Finance Held-for-investment Loans and Unfunded Commitments (end of period balances, \$ billions)



# Mortgage Finance

- **Pre-tax income of \$2 million, down \$13 million YoY and \$9 million QoQ**
  - Total net revenue down YoY, reflecting faster prepayments, higher premium amortization
    - QoQ decrease primarily due to prior quarter loan sale
  - Provision increase QoQ and YoY reflects originated volume growth and a reserve release in the prior year period that did not repeat
- **Direct-to-consumer originations of \$1.0 billion in 4Q**
  - 56% of 4Q originations from existing Ally Bank customers
  - 84% of DTC originated volume sourced through Better.com

**Mortgage Finance Direct-to-Consumer (DTC) Originations**  
(\$ billions)



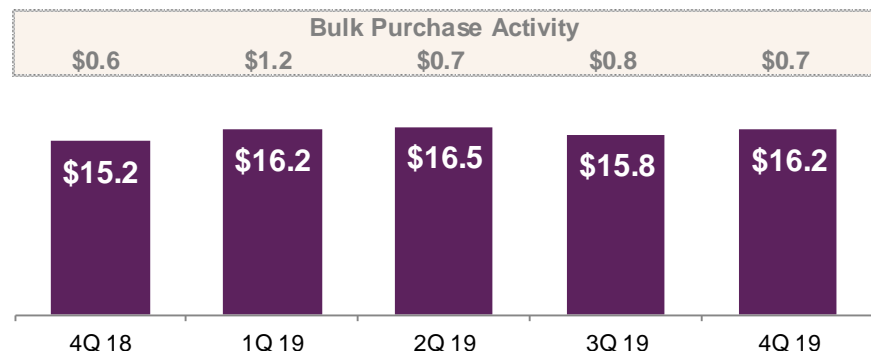
Key Financials (\$ millions)	4Q 19	Increase/(Decrease) vs.	
		3Q 19	4Q 18
Net financing revenue	\$ 36	\$ (3)	\$ (12)
Total other revenue	6	(4)	4
Total net revenue	\$ 42	\$ (7)	\$ (8)
Provision for loan losses	3	3	6
Noninterest expense <sup>(1)</sup>	37	(1)	(1)
Pre-tax income	\$ 2	\$ (9)	\$ (13)
Total assets (EOP)	\$ 16,279	\$ (304)	\$ 1,068

Mortgage Finance HFI Portfolio	4Q 19	3Q 19	4Q 18
Net Carry Value (\$ billions)	\$ 16.2	\$ 15.8	\$ 15.1
Wtd. Avg. LTV/CLTV <sup>(2)</sup>	60.3%	60.7%	59.6%
Refreshed FICO	774	774	774

(1) Noninterest expense includes corporate allocations of \$19 million in 4Q 2019, \$20 million in 3Q 2019, and \$19 million in 4Q 2018.

(2) 1st lien only. Updated home values derived using a combination of appraisals, Broker price opinion (BPOs), Automated Valuation Models (AVMs) and Metropolitan Statistical Area (MSA) level house price indices.

**Mortgage Finance Held-for-Investment Assets**  
(\$ billions)



# 2020 Full-Year Outlook

	2019 FY Results	2020 Outlook	
<b>Adjusted EPS<sup>(1)</sup> Growth</b>	\$3.72	↑ 10 - 15% YoY	} Reflects steady coverage rate assumption under CECL methodology
<b>Core ROTCE<sup>(1)</sup></b>	12.0%	12 - 13%	
<b>Adjusted Total Net Revenue<sup>(1)</sup></b>	\$6.33B	↑ 6 - 9% YoY	
<b>Adjusted Efficiency Ratio<sup>(1)</sup></b>	47.4%	↓ 50 - 150bps YoY	
<b>Retail Auto NCO%</b>	1.29%	Low-end 1.4 - 1.6%	

(1) Represents a non-GAAP financial measure. See pages 32, 36, 38 and 43 for details.

# Conclusion

## Relentless Customer Focus and 'Do It Right' Culture



- Ongoing optimization of market leading Auto and Insurance business lines
- Sustained growth in customers and optimization of deposit funding profile
- Expanding consumer product offerings
- Efficient capital deployment & disciplined risk management
- Steady execution along earnings growth path

## Focused on Driving Long-Term Shareholder Value



# Supplemental



**ally**  
do it right.

# Results by Segment

<b>Pre-Tax Income</b> (\$ millions)	<b>2019</b>	<b>2018</b>	<b>4Q 19</b>	<b>3Q 19</b>	<b>4Q 18</b>
Automotive Finance	\$ 1,618	\$ 1,368	\$ 401	\$ 429	\$ 335
Insurance	315	80	114	56	(13)
<b>Dealer Financial Services</b>	<b>\$ 1,933</b>	<b>\$ 1,448</b>	<b>\$ 515</b>	<b>\$ 485</b>	<b>\$ 322</b>
Corporate Finance	153	144	50	44	21
Mortgage Finance	40	45	2	11	15
Corporate and Other	(159)	(15)	(80)	(40)	10
<b>Pre-tax income from continuing operations</b>	<b>\$ 1,967</b>	<b>\$ 1,622</b>	<b>\$ 487</b>	<b>\$ 500</b>	<b>\$ 368</b>
Core OID <sup>(1)</sup>	29	86	8	7	23
Change in fair value of equity securities <sup>(2)</sup>	(89)	121	(29)	11	95
<b>Core pre-tax income <sup>(3)</sup></b>	<b>\$ 1,907</b>	<b>\$ 1,829</b>	<b>\$ 466</b>	<b>\$ 519</b>	<b>\$ 486</b>

(1) Core OID for all periods shown is applied to the pre-tax income of the Corporate and Other segment.

(2) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Reflects equity fair value adjustments related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See pages 40 and 42 for details.

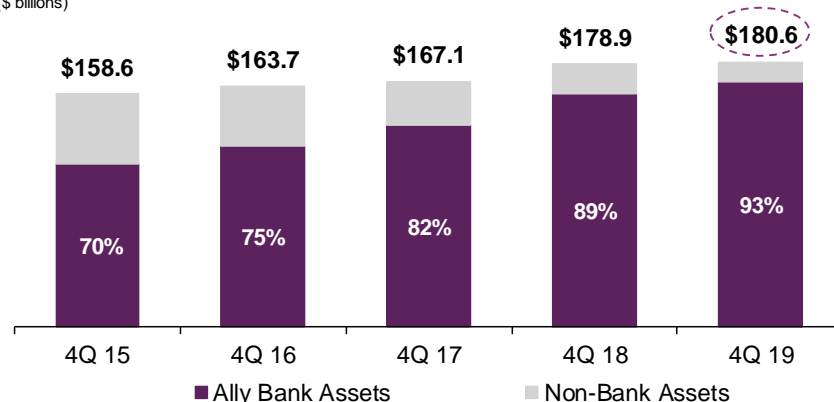
(3) Core pre-tax income is a non-GAAP financial measure that adjusts pre-tax income from continuing operations for Core OID and equity fair value adjustments related to ASU 2016-01. Management believes core pre-tax income can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See pages 40 and 42 for calculation methodology and details.

# Funding and Liquidity

- **Ally Bank funded assets at 93% up 4 pts YoY**
- **Deposits at 75% of total funding (excluding Core OID balance)<sup>(a)</sup> up 9 pts YoY**
- **Wholesale funding in 4Q:**
  - \$1.0 billion of new retail secured funding
- **Total liquidity levels at \$29.9 billion as of 12/31/19**

## Growth in Bank Funded Assets

(\$ billions)



## Unsecured Long-Term Debt Maturities<sup>(1)</sup>

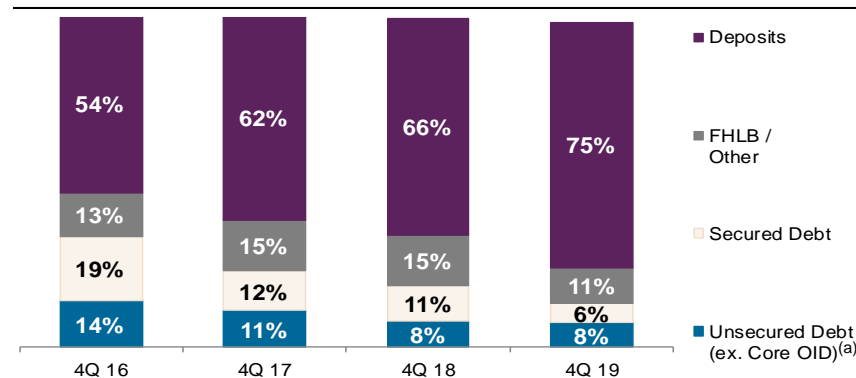
Maturity Date	Coupon	Principal Amount Outstanding <sup>(2)</sup> (\$ billions)
3/15/2020	8.00	\$0.97
3/30/2020	4.13	\$0.75
9/15/2020	7.50	\$0.46
2021+ <sup>(3)</sup>	5.86	\$7.14

(1) Excludes retail notes, demand notes and trust preferred securities.

(2) Reflects notional value of outstanding bond. Excludes total GAAP OID and capitalized transaction costs.

(3) Weighted average coupon based on notional value and corresponding coupon for all unsecured bonds as of January 1st of the respective year. Does not reflect weighted average interest expense for the respective year. 2021+ excludes ~\$2.6 billion Trust Preferred securities (excluding OID/issuance costs).

## Funding Mix



Note: Total Liquidity includes cash & cash equivalents, highly liquid securities and current committed unused capacity. See page 18 of the Financial Supplement for more details.

(a) Excludes Core OID and Core OID balance. See page 43 for details.

# Corporate and Other

- **Corporate and Other includes the impact of centralized asset and liability management, corporate overhead allocation activities, the legacy mortgage portfolio, Ally Invest activity and Ally Lending activity**
- **Pre-tax loss of \$80 million, down \$90 million YoY and down \$40 million QoQ**
  - Net financing revenue down YoY primarily driven by higher deposit funding costs
  - Other revenue up QoQ and YoY primarily driven by gains on investments
  - Noninterest expense up QoQ and YoY primarily driven by addition of Ally Lending in 4Q 19 and technology spend supporting business initiatives
- **Total assets of \$36.2 billion, up \$2.2 billion YoY**
  - Higher investment securities balance partially offset by legacy mortgage portfolio run-off

Key Financials (\$ millions)	4Q 19	Increase/(Decrease) vs.	
		3Q 19	4Q 18
Net financing (loss)	\$ (18)	\$ (15)	\$ (65)
Total other revenue	66	20	19
Total net revenue	\$ 48	\$ 5	\$ (46)
Provision for loan losses	11	16	14
Noninterest expense	117	29	30
Pre-tax (loss) / income	\$ (80)	\$ (40)	\$ (90)
Core OID <sup>(1)</sup>	8	0	(15)
Core pre-tax (loss) / income <sup>(2)</sup>	\$ (72)	\$ (40)	\$ (105)
Cash & securities	\$ 30,250	\$ (195)	\$ 2,397
Held-for-investment loans, net <sup>(3)</sup>	1,581	40	(77)
Other	4,337	270	(102)
Total assets	\$ 36,168	\$ 115	\$ 2,218

(1) Represents a non-GAAP financial measure. See page 44 for details.

(2) Represents a non-GAAP financial measure. See page 42 for calculation methodology and details.

(3) HFI legacy mortgage portfolio and HFI Ally Lending portfolio

Ally Invest Details (brokerage)	4Q 19	3Q 19	4Q 18
Net Funded Accounts (thousands)	346.7	346.0	301.9
Average Customer Trades Per Day (thousands)	21.2	17.7	19.6
Total Customer Cash Balances (\$ millions)	\$ 1,376	\$ 1,272	\$ 1,159
Total Net Customer Assets (\$ millions)	\$ 7,850	\$ 7,151	\$ 5,804

# Interest Rate Sensitivity

## Net Financing Revenue Impacts <sup>(1)</sup>: Baseline vs. Forward Curve

(\$ millions)	4Q 19		3Q 19	
	Gradual <sup>(2)</sup>	Instantaneous	Gradual <sup>(2)</sup>	Instantaneous
-100 bp	\$ 17	\$ 67	\$ (20)	\$ (29)
+100 bp	\$ (1)	\$ 7	\$ 17	\$ 22
Stable rate environment	n/m	\$ 13	n/m	\$ (91)

(1) Net financing revenue impacts reflect a rolling 12-month view. See page 31 for additional details.

(2) Gradual changes in interest rates are recognized over 12 months.

# Deferred Tax Asset and Effective Tax Rate

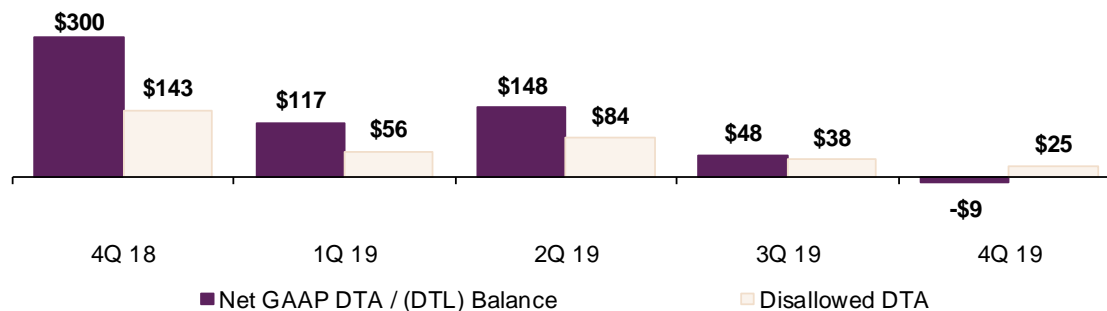
Deferred Tax (Liability) / Asset (\$ millions)	4Q 19			3Q 19 <sup>(1)</sup>
	Gross DTA/(DTL) Balance	Valuation Allowance	Net DTA/(DTL) Balance	Net DTA/(DTL) Balance
Net Operating Loss (Federal)	\$ 7	\$ -	\$ 7	\$ 8
Tax Credit Carryforwards	1,784	(737)	1,047	918
State/Local Tax Carryforwards	155	(101)	54	63
Other Deferred Tax Liabilities, net <sup>(2)</sup>	(1,117)	-	(1,117)	(941)
<b>Net Deferred Tax (Liability) / Asset</b>	<b>\$ 829</b>	<b>\$ (838)</b>	<b>\$ (9)</b>	<b>\$ 48</b>

(1) GAAP does not prescribe a method for calculating individual elements of deferred taxes for interim periods; therefore, these balances are estimates.

(2) Primarily book / tax timing differences.

## Deferred Tax Asset / (Liability) Utilization

(\$ millions)



## 2019 Effective Tax Rate Details

	2019
Adjusted Effective Tax Rate	22.8%
Discrete Tax Item (\$201 million)	-10.2%

**GAAP Effective Tax Rate** **12.5%**

Note: Significant discrete tax items do not relate to the operating performance of the core businesses. 2019 effective tax rate was significantly impacted by the release of valuation allowance on foreign tax credit carryforwards.

# Notes on Non-GAAP and Other Financial Measures

*The following are non-GAAP financial measures which Ally believes are important to the reader of the Consolidated Financial Statements, but which are supplemental to, and not a substitute for, GAAP measures: Adjusted Earnings per Share (Adjusted EPS), Core pre-tax income, Core net income attributable to common shareholders, Core return on tangible common equity (Core ROTCE), Adjusted efficiency ratio, Adjusted total net revenue, Adjusted other revenue, Core original issue discount (Core OID) amortization expense and Core outstanding original issue discount balance (Core OID balance), Net financing revenue (excluding Core OID), and Adjusted tangible book value per share (Adjusted TBVPS). These measures are used by management and we believe are useful to investors in assessing the company's operating performance and capital. Refer to the Definitions of Non-GAAP Financial Measures and Other Key Terms, and Reconciliation to GAAP later in this document.*

- 1) **Core pre-tax income** is a non-GAAP financial measure that adjusts pre-tax income from continuing operations by excluding (1) Core OID, and (2) equity fair value adjustments related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. Management believes core pre-tax income can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See page 40 for calculation methodology and details.
- 2) **Core net income attributable to common shareholders** is a non-GAAP financial measure that serves as the numerator in the calculations of Adjusted EPS and Core ROTCE and that, like those measures, is believed by management to help the reader better understand the operating performance of the core businesses and their ability to generate earnings. Core net income attributable to common shareholders adjusts GAAP net income attributable to common shareholders for discontinued operations net of tax, tax-effected Core OID expense, tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, preferred stock capital actions, significant discrete tax items and tax-effected changes in equity investments measured at fair value. See page 32 for calculation methodology and details.
- 3) **Core original issue discount (Core OID) amortization expense** is a non-GAAP financial measure for OID, primarily related to bond exchange OID which excludes international operations and future issuances. See page 43 for calculation methodology and details.
- 4) **Core outstanding original issue discount balance (Core OID balance)** is a non-GAAP financial measure for outstanding OID, primarily related to bond exchange OID which excludes international operations and future issuances. See page 43 for calculation methodology and details.
- 5) **Accelerated issuance expense (Accelerated OID)** is the recognition of issuance expenses related to calls of redeemable debt.
- 6) **Interest rate risk modeling** – We prepare our forward-looking baseline forecasts of net financing revenue taking into consideration anticipated future business growth, asset/liability positioning, and interest rates based on the implied forward curve. The analysis is highly dependent upon a variety of assumptions including the repricing characteristics of retail deposits with both contractual and non-contractual maturities. We continually monitor industry and competitive repricing activity along with other market factors when contemplating deposit pricing actions. Please see the 10-K for more details.
- 7) **Net charge-off ratios** are calculated as annualized net charge-offs divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale.
- 8) **Tangible Common Equity** is a non-GAAP financial measure that is defined as common stockholders' equity less goodwill and identifiable intangible assets, net of deferred tax liabilities. Ally considers various measures when evaluating capital adequacy, including tangible common equity. Ally believes that tangible common equity is important because we believe readers may assess our capital adequacy using this measure. Additionally, presentation of this measure allows readers to compare certain aspects of our capital adequacy on the same basis to other companies in the industry. For purposes of calculating Core return on tangible common equity (Core ROTCE), tangible common equity is further adjusted for Core OID balance and net deferred tax asset. See page 34 for more details.
- 9) **U.S. consumer auto originations**
  - New Retail – standard and subvented rate new vehicle loans
  - Lease – new vehicle lease originations
  - Used – used vehicle loans
  - Growth – total originations from non-GM/Chrysler dealers and direct-to-consumer loans
  - Nonprime – originations with a FICO® score of less than 620
- 10) **Customer retention rate** is the annualized 3-month rolling average of 1 minus the monthly attrition rate; excludes non-recurring escheatment.
- 11) **Estimated Retail Auto Originated Yield** is a forward-looking non-GAAP financial measure determined by calculating the estimated average annualized yield for loans originated during the period. At this time there currently is no comparable GAAP financial measure for Estimated Retail Auto Originated Yield and therefore this forecasted estimate of yield at the time of origination cannot be quantitatively reconciled to comparable GAAP information.

# GAAP to Core Results: Adjusted EPS - Annual

## Adjusted Earnings per Share ("Adjusted EPS")

*Numerator* (\$ millions)

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>GAAP net income attributable to common shareholders</b>	<b>\$ 1,715</b>	<b>\$ 1,263</b>	<b>\$ 929</b>	<b>\$ 1,037</b>	<b>\$ (1,282)</b>	<b>\$ 882</b>
Discontinued operations, net of tax	6	-	(3)	44	(392)	(225)
Core OID	29	86	71	59	59	186
Repositioning items	-	-	-	11	349	187
Change in the fair value of equity securities	(89)	121	-	-	-	-
Tax on Core OID, repositioning items, & change in the fair value of equity securities (tax rate 21% starting 1Q18, 35% starting 1Q16; 34% prior)	13	(43)	(25)	(24)	(139)	(127)
Significant discrete tax items	(201)	-	119	(84)	-	(91)
Series G actions	-	-	-	-	2,350	-
Series A actions	-	-	-	1	22	-
<b>Core net income attributable to common shareholders</b>	<b>[a] \$ 1,472</b>	<b>\$ 1,427</b>	<b>\$ 1,091</b>	<b>\$ 1,043</b>	<b>\$ 967</b>	<b>\$ 812</b>

*Denominator*

<b>Weighted-average common shares outstanding - (Diluted, thousands)</b>	<b>[b] 395,395</b>	<b>427,680</b>	<b>455,350</b>	<b>482,182</b>	<b>483,934</b>	<b>481,934</b>
<b>Adjusted EPS</b>	<b>[a] / [b] \$ 3.72</b>	<b>\$ 3.34</b>	<b>\$ 2.39</b>	<b>\$ 2.16</b>	<b>\$ 2.00</b>	<b>\$ 1.68</b>

**Adjusted earnings per share (Adjusted EPS)** is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. In the numerator of Adjusted EPS, GAAP net income attributable to common shareholders is adjusted for the following items: (1) excludes discontinued operations, net of tax, as Ally is primarily a domestic company and sales of international businesses and other discontinued operations in the past have significantly impacted GAAP EPS, (2) adds back the tax-effected non-cash Core OID, (3) adds back tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, (4) excludes equity fair value adjustments (net of tax) related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity, (5) excludes significant discrete tax items that do not relate to the operating performance of the core businesses, and (6) excludes certain discrete tax items that do not relate to the operating performance of the core businesses, and (6) adjusts for preferred stock capital actions (e.g., Series A and Series G) that have been taken by the company to normalize its capital structure.



# GAAP to Core Results: Adjusted EPS - Quarterly

## Adjusted Earnings per Share ("Adjusted EPS")

	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
<i>Numerator</i> (\$ millions)													
<b>GAAP net income attributable to common shareholders</b>	\$ 378	\$ 381	\$ 582	\$ 374	\$ 290	\$ 374	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 214	\$ 248
Discontinued operations, net of tax	3	-	2	1	(1)	-	(1)	2	(2)	(2)	2	(1)	(2)
Core OID	8	7	7	7	23	22	21	20	19	18	17	16	15
Change in the fair value of equity securities	(29)	11	(2)	(70)	95	(6)	(8)	40	-	-	-	-	-
Tax on Core OID, repositioning items, & change in the fair value of equity securities (tax rate 21% starting 1Q18, 35% starting 1Q16; 34% prior)	4	(4)	(1)	13	(25)	(3)	(3)	(13)	(7)	(6)	(6)	(6)	(5)
Significant discrete tax items	-	-	(201)	-	-	-	-	-	119	-	-	-	-
<b>Core net income attributable to common shareholders</b>	[a] \$ 364	\$ 396	\$ 387	\$ 325	\$ 382	\$ 386	\$ 358	\$ 300	\$ 310	\$ 292	\$ 265	\$ 224	\$ 256
<i>Denominator</i>													
<b>Weighted-average common shares outstanding - (Diluted, thousands)</b>	[b] 383,391	392,604	399,916	405,959	414,750	424,784	432,554	438,931	444,985	451,078	458,819	466,829	474,505
<i>Metric</i>													
<b>GAAP EPS</b>	\$ 0.99	\$ 0.97	\$ 1.46	\$ 0.92	\$ 0.70	\$ 0.88	\$ 0.81	\$ 0.57	\$ 0.41	\$ 0.63	\$ 0.55	\$ 0.46	\$ 0.52
Discontinued operations, net of tax	0.01	-	0.01	0.00	(0.00)	-	(0.00)	0.00	(0.00)	(0.00)	0.00	(0.00)	(0.00)
Core OID	0.02	0.02	0.02	0.02	0.06	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.03
Change in the fair value of equity securities	(0.08)	0.03	(0.01)	(0.17)	0.23	(0.01)	(0.02)	0.09	-	-	-	-	-
Tax on Core OID, repositioning items, & change in the fair value of equity securities (tax rate 21% starting 1Q18, 35% starting 1Q16; 34% prior)	0.01	(0.01)	(0.00)	0.03	(0.06)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Significant discrete tax items	-	-	(0.50)	-	-	-	-	-	0.27	-	-	-	-
<b>Adjusted EPS</b>	[a] / [b] \$ 0.95	\$ 1.01	\$ 0.97	\$ 0.80	\$ 0.92	\$ 0.91	\$ 0.83	\$ 0.68	\$ 0.70	\$ 0.65	\$ 0.58	\$ 0.48	\$ 0.54

**Adjusted earnings per share (Adjusted EPS)** is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. In the numerator of Adjusted EPS, GAAP net income attributable to common shareholders is adjusted for the following items: (1) excludes discontinued operations, net of tax, as Ally is primarily a domestic company and sales of international businesses and other discontinued operations in the past have significantly impacted GAAP EPS, (2) adds back the tax-effected non-cash Core OID, (3) excludes equity fair value adjustments (net of tax) related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity, and (4) excludes significant discrete tax items that do not relate to the operating performance of the core businesses.

# GAAP to Core Results: Adjusted TBVPS - Annual

## Adjusted Tangible Book Value per Share ("Adjusted TBVPS")

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Numerator</b> (\$ billions)						
GAAP shareholder's equity	\$ 14.4	\$ 13.3	\$ 13.5	\$ 13.3	\$ 13.4	\$ 15.4
Preferred equity	-	-	-	-	(0.7)	(1.3)
<b>GAAP common shareholder's equity</b>	<b>\$ 14.4</b>	<b>\$ 13.3</b>	<b>\$ 13.5</b>	<b>\$ 13.3</b>	<b>\$ 12.7</b>	<b>\$ 14.1</b>
Goodwill and identifiable intangibles, net of DTLs	(0.5)	(0.3)	(0.3)	(0.3)	(0.0)	(0.0)
Tangible common equity	14.0	13.0	13.2	13.0	12.7	14.1
Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior)	(0.8)	(0.9)	(0.9)	(0.8)	(0.9)	(0.9)
Series G discount	-	-	-	-	-	(2.3)
<b>Adjusted tangible book value</b>	<b>[a] \$ 13.1</b>	<b>\$ 12.1</b>	<b>\$ 12.3</b>	<b>\$ 12.2</b>	<b>\$ 11.9</b>	<b>\$ 10.9</b>
<b>Denominator</b>						
<b>Issued shares outstanding</b> (period-end, thousands)	<b>[b] 374,332</b>	<b>404,900</b>	<b>437,054</b>	<b>467,000</b>	<b>481,980</b>	<b>480,095</b>
<b>Metric</b>						
GAAP shareholder's equity per share	\$ 38.5	\$ 32.8	\$ 30.9	\$ 28.5	\$ 27.9	\$ 32.1
Preferred equity per share	-	-	-	-	(1.4)	(2.6)
<b>GAAP common shareholder's equity per share</b>	<b>\$ 38.5</b>	<b>\$ 32.8</b>	<b>\$ 30.9</b>	<b>\$ 28.5</b>	<b>\$ 26.4</b>	<b>\$ 29.5</b>
Goodwill and identifiable intangibles, net of DTLs per share	(1.2)	(0.7)	(0.7)	(0.6)	(0.1)	(0.1)
Tangible common equity per share	37.3	32.1	30.2	27.9	26.4	29.4
Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior) per share	(2.2)	(2.1)	(2.1)	(1.7)	(1.8)	(1.9)
Series G discount per share	-	-	-	-	-	(4.9)
<b>Adjusted tangible book value per share</b>	<b>[a] / [b] \$ 35.1</b>	<b>\$ 29.9</b>	<b>\$ 28.1</b>	<b>\$ 26.2</b>	<b>\$ 24.6</b>	<b>\$ 22.7</b>

**Adjusted tangible book value per share (Adjusted TBVPS)** is a non-GAAP financial measure that reflects the book value of equity attributable to shareholders even if Core OID balance were accelerated immediately through the financial statements. As a result, management believes Adjusted TBVPS provides the reader with an assessment of value that is more conservative than GAAP common shareholder's equity per share. Adjusted TBVPS generally adjusts common equity for: (1) goodwill and identifiable intangibles, net of DTLs, and (2) tax-effected Core OID balance to reduce tangible common equity in the event the corresponding discounted bonds are redeemed/tendered and (3) Series G discount which reduces tangible common equity as the company has normalized its capital structure.

Note: In December 2017, tax-effected Core OID balance was adjusted from a statutory U.S. Federal tax rate of 35% to 21% ("rate") as a result of changes to U.S. tax law. The adjustment conservatively increased the tax-effected Core OID balance and consequently reduced Adjusted TBVPS as any acceleration of the non-cash charge in future periods would flow through the financial statements at a 21% rate versus a previously modeled 35% rate.

# GAAP to Core Results: Adjusted TBVPS - Quarterly

## Adjusted Tangible Book Value per Share ("Adjusted TBVPS")

	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
<i>Numerator</i> (\$ billions)													
<b>GAAP common shareholder's equity</b>	\$ 14.4	\$ 14.5	\$ 14.3	\$ 13.7	\$ 13.3	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.5	\$ 13.6	\$ 13.5	\$ 13.4	\$ 13.3
Goodwill and identifiable intangibles, net of DTLs	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Tangible common equity	14.0	14.2	14.0	13.4	13.0	12.8	12.8	12.8	13.2	13.3	13.2	13.1	13.0
Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)
<b>Adjusted tangible book value</b>	[a] \$ 13.1	\$ 13.3	\$ 13.2	\$ 12.6	\$ 12.1	\$ 11.9	\$ 12.0	\$ 11.9	\$ 12.3	\$ 12.5	\$ 12.4	\$ 12.3	\$ 12.2
<i>Denominator</i>													
<b>Issued shares outstanding</b> (period-end, thousands)	[b] 374,332	383,523	392,775	399,761	404,900	416,591	425,752	432,691	437,054	443,796	452,292	462,193	467,000
<i>Metric</i>													
<b>GAAP common shareholder's equity per share</b>	\$ 38.5	\$ 37.7	\$ 36.4	\$ 34.3	\$ 32.8	\$ 31.4	\$ 30.9	\$ 30.2	\$ 30.9	\$ 30.6	\$ 29.8	\$ 28.9	\$ 28.5
Goodwill and identifiable intangibles, net of DTLs per share	(1.2)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)
Tangible common equity per share	37.3	37.0	35.7	33.6	32.1	30.7	30.2	29.6	30.2	29.9	29.2	28.3	27.9
Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior) per share	(2.2)	(2.2)	(2.2)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)	(1.8)	(1.7)	(1.7)	(1.7)
<b>Adjusted tangible book value per share</b>	[a] / [b] \$ 35.1	\$ 34.7	\$ 33.6	\$ 31.4	\$ 29.9	\$ 28.6	\$ 28.1	\$ 27.4	\$ 28.1	\$ 28.2	\$ 27.4	\$ 26.6	\$ 26.2

**Adjusted tangible book value per share (Adjusted TBVPS)** is a non-GAAP financial measure that reflects the book value of equity attributable to shareholders even if Core OID balance were accelerated immediately through the financial statements. As a result, management believes Adjusted TBVPS provides the reader with an assessment of value that is more conservative than GAAP common shareholder's equity per share. Adjusted TBVPS generally adjusts common equity for: (1) goodwill and identifiable intangibles, net of DTLs, and (2) tax-effected Core OID balance to reduce tangible common equity in the event the corresponding discounted bonds are redeemed/tendered. Note: In December 2017, tax-effected Core OID balance was adjusted from a statutory U.S. Federal tax rate of 35% to 21% ("rate") as a result of changes to U.S. tax law. The adjustment conservatively increased the tax-effected Core OID balance and consequently reduced Adjusted TBVPS as any acceleration of the non-cash charge in future periods would flow through the financial statements at a 21% rate versus a previously modeled 35% rate.

# GAAP to Core Results: Core ROTCE - Annual

## Core Return on Tangible Common Equity ("Core ROTCE")

### Numerator (\$ millions)

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>GAAP net income attributable to common shareholders</b>	\$ 1,715	\$ 1,263	\$ 929	\$ 1,037	\$ (1,282)	\$ 882
Discontinued operations, net of tax	6	-	(3)	44	(392)	(225)
Core OID	29	86	71	59	59	186
Repositioning items	-	-	-	11	349	187
Change in the fair value of equity securities	(89)	121	-	-	-	-
Tax on Core OID & change in the fair value of equity securities (tax rate 21% starting in 1Q18, 35% prior)	13	(43)	(25)	(24)	(139)	(127)
Significant Discrete tax items & other	(201)	-	119	(84)	22	(103)
Series G actions	-	-	-	-	2,350	-
Series A actions	-	-	-	1	22	-
<b>Core net income attributable to common shareholders</b>	<b>[a] \$ 1,472</b>	<b>\$ 1,427</b>	<b>\$ 1,091</b>	<b>\$ 1,043</b>	<b>\$ 990</b>	<b>\$ 800</b>

### Denominator (2-period average, \$ billions)

<b>GAAP shareholder's equity</b>	\$ 13.8	\$ 13.4	\$ 13.4	\$ 13.4	\$ 14.4	\$ 14.8
Preferred equity	-	-	-	(0.3)	(1.0)	(1.3)
Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")	(0.4)	(0.3)	(0.3)	(0.2)	(0.0)	(0.0)
Tangible common equity	\$ 13.5	\$ 13.1	\$ 13.1	\$ 12.9	\$ 13.4	\$ 13.5
Core OID balance	(1.1)	(1.1)	(1.2)	(1.3)	(1.3)	(1.4)
Net deferred tax asset ("DTA")	(0.2)	(0.4)	(0.7)	(1.2)	(1.6)	(1.9)
<b>Normalized common equity</b>	<b>[b] \$ 12.2</b>	<b>\$ 11.6</b>	<b>\$ 11.2</b>	<b>\$ 10.4</b>	<b>\$ 10.5</b>	<b>\$ 10.2</b>
<b>Core Return on Tangible Common Equity</b>	<b>[a] / [b] 12.0%</b>	<b>12.3%</b>	<b>9.8%</b>	<b>10.0%</b>	<b>9.4%</b>	<b>7.9%</b>

**Core return on tangible common equity (Core ROTCE)** is a non-GAAP financial measure that management believes is helpful for readers to better understand the ongoing ability of the company to generate returns on its equity base that supports core operations. For purposes of this calculation, tangible common equity is adjusted for Core OID balance and net DTA. Ally's Core net income attributable to common shareholders for purposes of calculating Core ROTCE is based on the actual effective tax rate for the period adjusted for significant discrete tax items including tax reserve releases, which aligns with the methodology used in calculating adjusted earnings per share.

- (1) In the numerator of Core ROTCE, GAAP net income attributable to common shareholders is adjusted for discontinued operations net of tax, tax-effected Core OID, tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, fair value adjustments (net of tax) related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity, significant discrete tax items, and preferred stock capital actions.
- (2) In the denominator, GAAP shareholder's equity is adjusted for goodwill and identifiable intangibles net of DTL, Core OID balance, and net DTA.

# GAAP to Core Results: Core ROTCE - Quarterly

## Core Return on Tangible Common Equity ("Core ROTCE")

**Numerator** (\$ millions)

### GAAP net income attributable to common shareholders

	QUARTERLY TREND				
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18
GAAP net income attributable to common shareholders	\$ 378	\$ 381	\$ 582	\$ 374	\$ 290
Discontinued operations, net of tax	3	-	2	1	(1)
Core OID	8	7	7	7	23
Change in the fair value of equity securities	(29)	11	(2)	(70)	95
Tax on Core OID & change in the fair value of equity securities (tax rate 21% starting in 1Q18)	4	(4)	(1)	13	(25)
Significant discrete tax items & other	-	-	(201)	-	-

### Core net income attributable to common shareholders

[a] \$ 364    \$ 396    \$ 387    \$ 325    \$ 382

**Denominator** (2-period average, \$ billions)

### GAAP shareholder's equity

GAAP shareholder's equity	\$ 14.4	\$ 14.4	\$ 14.0	\$ 13.5	\$ 13.2
Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Tangible common equity	\$ 14.1	\$ 14.1	\$ 13.7	\$ 13.2	\$ 12.9
Core OID balance	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Net deferred tax asset ("DTA")	(0.0)	(0.1)	(0.1)	(0.2)	(0.4)

### Normalized common equity

[b] \$ 13.0    \$ 12.9    \$ 12.5    \$ 11.9    \$ 11.4

### Core Return on Tangible Common Equity

[a] / [b] 11.2%    12.3%    12.4%    10.9%    13.4%

**Core return on tangible common equity (Core ROTCE)** is a non-GAAP financial measure that management believes is helpful for readers to better understand the ongoing ability of the company to generate returns on its equity base that supports core operations. For purposes of this calculation, tangible common equity is adjusted for Core OID balance and net DTA. Ally's Core net income attributable to common shareholders for purposes of calculating Core ROTCE is based on the actual effective tax rate for the period adjusted for significant discrete tax items including tax reserve releases, which aligns with the methodology used in calculating adjusted earnings per share.

- (1) In the numerator of Core ROTCE, GAAP net income attributable to common shareholders is adjusted for discontinued operations net of tax, tax-effected Core OID, fair value adjustments (net of tax) related to ASU 2016-01 which requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity, and significant discrete tax items.
- (2) In the denominator, GAAP shareholder's equity is adjusted for goodwill and identifiable intangibles net of DTL, Core OID balance, and net DTA.

# GAAP to Core Results: Adjusted Efficiency Ratio - Annual

## Adjusted Efficiency Ratio

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<i>Numerator</i> (\$ millions)						
<b>GAAP noninterest expense</b>	\$ 3,429	\$ 3,264	\$ 3,110	\$ 2,939	\$ 2,761	\$ 2,948
Rep and warrant expense	(0)	3	0	6	13	10
Insurance expense	(1,013)	(955)	(950)	(940)	(879)	(988)
less: Repositioning items	-	-	-	(9)	(7)	(39)
<b>Adjusted noninterest expense for the efficiency ratio</b>	<b>[a] \$ 2,416</b>	<b>\$ 2,312</b>	<b>\$ 2,160</b>	<b>\$ 1,997</b>	<b>\$ 1,888</b>	<b>\$ 1,932</b>
<i>Denominator</i> (\$ millions)						
<b>Total net revenue</b>	\$ 6,394	\$ 5,804	\$ 5,765	\$ 5,437	\$ 4,861	\$ 4,651
Core OID	29	86	71	59	59	186
Insurance revenue	(1,328)	(1,035)	(1,118)	(1,097)	(1,090)	(1,185)
add: Repositioning items	-	-	-	3	342	148
<b>Adjusted net revenue for the efficiency ratio</b>	<b>[b] \$ 5,095</b>	<b>\$ 4,855</b>	<b>\$ 4,718</b>	<b>\$ 4,401</b>	<b>\$ 4,172</b>	<b>\$ 3,800</b>
<b>Adjusted Efficiency Ratio</b>	<b>[a] / [b] 47.4%</b>	<b>47.6%</b>	<b>45.8%</b>	<b>45.4%</b>	<b>45.3%</b>	<b>50.8%</b>

**Adjusted efficiency ratio** is a non-GAAP financial measure that management believes is helpful to readers in comparing the efficiency of its core banking and lending businesses with those of its peers.

- (1) In the numerator of Adjusted efficiency ratio, total noninterest expense is adjusted for Rep and warrant expense, Insurance segment expense, and repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities.
- (2) In the denominator, total net revenue is adjusted for Core OID, Insurance segment revenue, and repositioning items – primarily related to the extinguishment of high-cost legacy debt and strategic activities. See page 20 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance segment.

# GAAP to Core Results: Adjusted Efficiency Ratio - Quarterly

## Adjusted Efficiency Ratio

	QUARTERLY TREND				
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18
<i>Numerator</i> (\$ millions)					
<b>GAAP noninterest expense</b>	\$ 880	\$ 838	\$ 881	\$ 830	\$ 804
Rep and warrant expense	-	(0)	(0)	-	1
Insurance expense	(238)	(247)	(301)	(227)	(215)
<b>Adjusted noninterest expense for the efficiency ratio</b>	<b>[a] \$ 642</b>	<b>\$ 591</b>	<b>\$ 580</b>	<b>\$ 603</b>	<b>\$ 590</b>
<i>Denominator</i> (\$ millions)					
<b>Total net revenue</b>	\$ 1,643	\$ 1,601	\$ 1,552	\$ 1,598	\$ 1,438
Core OID	8	7	7	7	23
Insurance revenue	(352)	(303)	(301)	(372)	(202)
<b>Adjusted net revenue for the efficiency ratio</b>	<b>[b] \$ 1,299</b>	<b>\$ 1,305</b>	<b>\$ 1,258</b>	<b>\$ 1,233</b>	<b>\$ 1,259</b>
<b>Adjusted Efficiency Ratio</b>	<b>[a] / [b] 49.4%</b>	<b>45.3%</b>	<b>46.1%</b>	<b>48.9%</b>	<b>46.9%</b>

**Adjusted efficiency ratio** is a non-GAAP financial measure that management believes is helpful to readers in comparing the efficiency of its core banking and lending businesses with those of its peers.

- (1) In the numerator of Adjusted efficiency ratio, total noninterest expense is adjusted for Rep and warrant expense and Insurance segment expense.
- (2) In the denominator, total net revenue is adjusted for Core OID and Insurance segment revenue. See page 20 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance segment.

# Notes on Non-GAAP and Other Financial Measures

(\$ millions)	FY 2019				FY 2018				FY 2017			
	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>
<b>Consolidated Ally</b>												
Net financing revenue	\$ 4,633	\$ 29	\$ -	4,662	\$ 4,390	\$ 86	\$ -	4,476	\$ 4,221	\$ 71	\$ -	4,292
Total other revenue	1,761	-	(89)	1,672	1,414	-	121	1,535	1,544	-	-	1,544
Provision for loan losses	998	-	-	998	918	-	-	918	1,148	-	-	1,148
Noninterest expense	3,429	-	-	3,429	3,264	-	-	3,264	3,110	-	-	3,110
<b>Pre-tax income from continuing operations</b>	<b>\$ 1,967</b>	<b>\$ 29</b>	<b>\$ (89)</b>	<b>\$ 1,907</b>	<b>\$ 1,622</b>	<b>\$ 86</b>	<b>\$ 121</b>	<b>\$ 1,829</b>	<b>\$ 1,507</b>	<b>\$ 71</b>	<b>\$ -</b>	<b>\$ 1,578</b>
<b>Corporate / Other</b>												
Net financing revenue	\$ 28	\$ 29	\$ -	\$ 57	\$ 184	\$ 86	\$ -	\$ 270	\$ 150	\$ 71	\$ -	\$ 221
Total other revenue	171	-	-	171	119	-	-	119	81	-	-	81
Provision for loan losses	(5)	-	-	(5)	(15)	-	-	(15)	(16)	-	-	(16)
Noninterest expense	363	-	-	363	333	-	-	333	262	-	-	262
<b>Pre-tax (loss) income from continuing operations</b>	<b>\$ (159)</b>	<b>\$ 29</b>	<b>\$ -</b>	<b>\$ (130)</b>	<b>\$ (15)</b>	<b>\$ 86</b>	<b>\$ -</b>	<b>\$ 71</b>	<b>\$ (15)</b>	<b>\$ 71</b>	<b>\$ -</b>	<b>\$ 56</b>
<b>Insurance</b>												
Premiums, service revenue earned and other	\$ 1,099	\$ -	\$ -	\$ 1,099	\$ 1,032	\$ -	\$ -	\$ 1,032	\$ 981	\$ -	\$ -	\$ 981
Losses and loss adjustment expenses	321	-	-	321	295	-	-	295	332	-	-	332
Acquisition and underwriting expenses	692	-	-	692	660	-	-	660	618	-	-	618
Investment income and other	229	-	(88)	141	3	-	112	115	137	-	-	137
<b>Pre-tax income from continuing operations</b>	<b>\$ 315</b>	<b>\$ -</b>	<b>\$ (88)</b>	<b>\$ 227</b>	<b>\$ 80</b>	<b>\$ -</b>	<b>\$ 112</b>	<b>\$ 192</b>	<b>\$ 168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168</b>
<b>Corporate Finance</b>												
Net financing revenue	\$ 239	\$ -	\$ -	\$ 239	\$ 204	\$ -	\$ -	\$ 204	\$ 167	\$ -	\$ -	\$ 167
Total other revenue	45	-	(2)	43	38	-	9	47	45	-	-	45
Provision for loan losses	36	-	-	36	12	-	-	12	22	-	-	22
Noninterest expense	95	-	-	95	86	-	-	86	76	-	-	76
<b>Pre-tax income from continuing operations</b>	<b>\$ 153</b>	<b>\$ -</b>	<b>\$ (2)</b>	<b>\$ 151</b>	<b>\$ 144</b>	<b>\$ -</b>	<b>\$ 9</b>	<b>\$ 153</b>	<b>\$ 114</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114</b>

(1) Non-GAAP line items walk to Core pre-tax income, a non-GAAP financial measure that adjusts pre-tax income. See page 31 for definitions.



# Notes on Non-GAAP and Other Financial Measures

(\$ millions)	FY 2016				FY 2015				FY 2014			
	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>
<b>Consolidated Ally</b>												
Net financing revenue	\$ 3,907	\$ 57	\$ -	\$ 3,964	\$ 3,719	\$ 45	\$ -	\$ 3,764	\$ 3,375	\$ 172	\$ -	\$ 3,547
Total other revenue	1,530	4	-	1,534	1,142	356	-	1,498	1,276	162	-	1,438
Provision for loan losses	917	-	-	917	707	-	-	707	457	-	-	457
Noninterest expense	2,939	(9)	-	2,931	2,761	(7)	-	2,754	2,948	(39)	-	2,909
<b>Pre-tax income from continuing operations</b>	<b>\$ 1,581</b>	<b>\$ 70</b>	<b>\$ -</b>	<b>\$ 1,651</b>	<b>\$ 1,393</b>	<b>\$ 408</b>	<b>\$ -</b>	<b>\$ 1,801</b>	<b>\$ 1,246</b>	<b>\$ 373</b>	<b>\$ -</b>	<b>\$ 1,619</b>
<b>Corporate / Other</b>												
Net financing revenue	\$ (37)	\$ 57	\$ -	\$ 20	\$ 87	\$ 45	\$ -	\$ 132	\$ (97)	\$ 172	\$ -	\$ 75
Total other revenue	162	4	-	166	(151)	356	-	205	(149)	162	-	13
Provision for loan losses	(13)	-	-	(13)	(5)	-	-	(5)	(72)	-	-	(72)
Noninterest expense	199	(9)	-	190	155	(7)	-	148	282	(39)	-	243
<b>Pre-tax (loss) income from continuing operations</b>	<b>\$ (61)</b>	<b>\$ 70</b>	<b>\$ -</b>	<b>\$ 9</b>	<b>\$ (214)</b>	<b>\$ 408</b>	<b>\$ -</b>	<b>\$ 194</b>	<b>\$ (456)</b>	<b>\$ 373</b>	<b>\$ -</b>	<b>\$ (83)</b>
<b>Insurance</b>												
Premiums, service revenue earned and other	\$ 952	\$ -	\$ -	\$ 952	\$ 948	\$ -	\$ -	\$ 948	\$ 986	\$ -	\$ -	\$ 986
Losses and loss adjustment expenses	342	-	-	342	293	-	-	293	410	-	-	410
Acquisition and underwriting expenses	598	-	-	598	586	-	-	586	578	-	-	578
Investment income and other	145	-	-	145	142	-	-	142	199	-	-	199
<b>Pre-tax income from continuing operations</b>	<b>\$ 157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 157</b>	<b>\$ 211</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 211</b>	<b>\$ 197</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197</b>
<b>Corporate Finance</b>												
Net financing revenue	\$ 121	\$ -	\$ -	\$ 121	\$ 89	\$ -	\$ -	\$ 89	\$ 59	\$ -	\$ -	\$ 59
Total other revenue	26	-	-	26	25	-	-	25	32	-	-	32
Provision for loan losses	10	-	-	10	9	-	-	9	(16)	-	-	(16)
Noninterest expense	66	-	-	66	55	-	-	55	43	-	-	43
<b>Pre-tax income from continuing operations</b>	<b>\$ 71</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50</b>	<b>\$ 64</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64</b>

(1) Non-GAAP line items walk to Core pre-tax income, a non-GAAP financial measure that adjusts pre-tax income. See page 31 for definitions.

# Notes on Non-GAAP and Other Financial Measures

(\$ millions)	4Q 19				3Q 19				4Q 18			
	GAAP	Core OID	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>	GAAP	Core OID	Change in the fair value of equity securities	Non-GAAP <sup>(1)</sup>
<b>Consolidated Ally</b>												
Net financing revenue	\$ 1,156	\$ 8	\$ -	1,164	\$ 1,188	\$ 7	\$ -	1,195	\$ 1,140	\$ 23	\$ -	1,163
Total other revenue	487	-	(29)	458	413	-	11	424	298	-	95	393
Provision for loan losses	276	-	-	276	263	-	-	263	266	-	-	266
Noninterest expense	880	-	-	880	838	-	-	838	804	-	-	804
<b>Pre-tax income from continuing operations</b>	<b>\$ 487</b>	<b>\$ 8</b>	<b>\$ (29)</b>	<b>\$ 466</b>	<b>\$ 500</b>	<b>\$ 7</b>	<b>\$ 11</b>	<b>\$ 519</b>	<b>\$ 368</b>	<b>\$ 23</b>	<b>\$ 95</b>	<b>\$ 486</b>
<b>Corporate / Other</b>												
Net financing revenue	\$ (18)	\$ 8	\$ -	(10)	\$ (3)	\$ 7	\$ -	4	\$ 47	\$ 23	\$ -	70
Total other revenue	66	-	-	66	46	-	-	46	47	-	-	47
Provision for loan losses	11	-	-	11	(5)	-	-	(5)	(3)	-	-	(3)
Noninterest expense	117	-	-	117	88	-	-	88	87	-	-	87
<b>Pre-tax (loss) income from continuing operations</b>	<b>\$ (80)</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ (72)</b>	<b>\$ (40)</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ (33)</b>	<b>\$ 10</b>	<b>\$ 23</b>	<b>\$ -</b>	<b>\$ 33</b>
<b>Insurance</b>												
Premiums, service revenue earned and other	\$ 288	\$ -	\$ -	288	\$ 283	\$ -	\$ -	283	\$ 271	\$ -	\$ -	271
Losses and loss adjustment expenses	61	-	-	61	74	-	-	74	54	-	-	54
Acquisition and underwriting expenses	177	-	-	177	173	-	-	173	161	-	-	161
Investment income and other	64	-	(28)	36	20	-	10	30	(69)	-	91	22
<b>Pre-tax income from continuing operations</b>	<b>\$ 114</b>	<b>\$ -</b>	<b>\$ (28)</b>	<b>\$ 86</b>	<b>\$ 56</b>	<b>\$ -</b>	<b>\$ 10</b>	<b>\$ 66</b>	<b>\$ (13)</b>	<b>\$ -</b>	<b>\$ 91</b>	<b>\$ 78</b>
<b>Corporate Finance</b>												
Net financing revenue	\$ 64	\$ -	\$ -	64	\$ 60	\$ -	\$ -	60	\$ 51	\$ -	\$ -	51
Total other revenue	15	-	(0)	15	9	-	1	10	2	-	4	6
Provision for loan losses	7	-	-	7	3	-	-	3	10	-	-	10
Noninterest expense	22	-	-	22	22	-	-	22	22	-	-	22
<b>Pre-tax income from continuing operations</b>	<b>\$ 50</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ 50</b>	<b>\$ 44</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 45</b>	<b>\$ 21</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ 25</b>

(1) Non-GAAP line items walk to Core pre-tax income, a non-GAAP financial measure that adjusts pre-tax income. See page 31 for definitions.

# Notes on Non-GAAP and Other Financial Measures

## Net Financing Revenue (ex. Core OID)

(\$ millions)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
GAAP Net Financing Revenue	\$ 4,633	\$ 4,390	\$ 4,221	\$ 3,907	\$ 3,719	\$ 3,375
Core OID	29	86	71	57	45	172
<b>Net Financing Revenue (ex. Core OID)</b>	<b>[a] \$ 4,662</b>	<b>\$ 4,476</b>	<b>\$ 4,292</b>	<b>\$ 3,964</b>	<b>\$ 3,764</b>	<b>\$ 3,547</b>

## Adjusted Other Revenue

(\$ millions)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
GAAP Other Revenue	\$ 1,761	\$ 1,414	\$ 1,544	\$ 1,530	\$ 1,142	\$ 1,276
Accelerated OID & repositioning items	-	-	-	4	356	162
Change in the fair value of equity securities	(89)	121	-	-	-	-
<b>Adjusted Other Revenue</b>	<b>[b] \$ 1,672</b>	<b>\$ 1,535</b>	<b>\$ 1,544</b>	<b>\$ 1,534</b>	<b>\$ 1,498</b>	<b>\$ 1,438</b>

## Adjusted Total Net Revenue

(\$ millions)	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
<b>Adjusted Total Net Revenue</b>	<b>[a]+[b] \$ 6,334</b>	<b>\$ 6,011</b>	<b>\$ 5,836</b>	<b>\$ 5,498</b>	<b>\$ 5,262</b>	<b>\$ 4,985</b>

## Original issue discount amortization expense

(\$ millions)	ANNUAL TREND					
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Core original issue discount (Core OID) amortization expense <sup>(1)</sup>	\$ 29	\$ 86	\$ 71	\$ 57	\$ 45	\$ 172
Other OID	13	15	20	21	16	11
<b>GAAP original issue discount amortization expense</b>	<b>\$ 42</b>	<b>\$ 101</b>	<b>\$ 90</b>	<b>\$ 78</b>	<b>\$ 61</b>	<b>\$ 183</b>

## Outstanding original issue discount balance

(\$ millions)	ANNUAL TREND					
	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Core outstanding original issue discount balance (Core OID balance)	\$ (1,063)	\$ (1,092)	\$ (1,178)	\$ (1,249)	\$ (1,304)	\$ (1,351)
Other outstanding OID balance	(37)	(43)	(57)	(77)	(87)	(64)
<b>GAAP outstanding original issue discount balance</b>	<b>\$ (1,100)</b>	<b>\$ (1,135)</b>	<b>\$ (1,235)</b>	<b>\$ (1,326)</b>	<b>\$ (1,391)</b>	<b>\$ (1,415)</b>

(1) Excludes accelerated OID. See page 31 for definitions.

Note: Equity fair value adjustments related to ASU 2016-01 requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See page 31 for definitions.

# Notes on Non-GAAP and Other Financial Measures

## Original issue discount amortization expense

(\$ millions)	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
Core original issue discount (Core OID) amortization expense <sup>(1)</sup>	\$ 8	\$ 7	\$ 7	\$ 7	\$ 23	\$ 22	\$ 21	\$ 20	\$ 19	\$ 18	\$ 17	\$ 16	\$ 15
Other OID	3	3	3	3	2	4	4	4	5	5	5	5	6
<b>GAAP original issue discount amortization expense</b>	<b>\$ 11</b>	<b>\$ 11</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 26</b>	<b>\$ 25</b>	<b>\$ 25</b>	<b>\$ 24</b>	<b>\$ 24</b>	<b>\$ 23</b>	<b>\$ 22</b>	<b>\$ 21</b>	<b>\$ 21</b>

## Outstanding original issue discount balance

(\$ millions)	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
Core outstanding original issue discount balance (Core OID balance)	\$ (1,063)	\$ (1,071)	\$ (1,078)	\$ (1,085)	\$ (1,092)	\$ (1,115)	\$ (1,137)	\$ (1,158)	\$ (1,178)	\$ (1,197)	\$ (1,215)	\$ (1,232)	\$ (1,249)
Other outstanding OID balance	(37)	(40)	(44)	(39)	(43)	(46)	(49)	(53)	(57)	(62)	(67)	(72)	(77)
<b>GAAP outstanding original issue discount balance</b>	<b>\$ (1,100)</b>	<b>\$ (1,111)</b>	<b>\$ (1,122)</b>	<b>\$ (1,125)</b>	<b>\$ (1,135)</b>	<b>\$ (1,161)</b>	<b>\$ (1,187)</b>	<b>\$ (1,211)</b>	<b>\$ (1,235)</b>	<b>\$ (1,259)</b>	<b>\$ (1,282)</b>	<b>\$ (1,304)</b>	<b>\$ (1,326)</b>

## Net Financing Revenue (ex. Core OID)

(\$ millions)	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
GAAP Net Financing Revenue	\$ 1,156	\$ 1,188	\$ 1,157	\$ 1,132	\$ 1,140	\$ 1,107	\$ 1,094	\$ 1,049	\$ 1,094	\$ 1,081	\$ 1,067	\$ 979	\$ 976
Core OID	8	7	7	7	23	22	21	20	19	18	17	16	15
<b>Net Financing Revenue (ex. Core OID)</b>	<b>[a] \$ 1,164</b>	<b>\$ 1,195</b>	<b>\$ 1,164</b>	<b>\$ 1,139</b>	<b>\$ 1,163</b>	<b>\$ 1,129</b>	<b>\$ 1,115</b>	<b>\$ 1,069</b>	<b>\$ 1,113</b>	<b>\$ 1,099</b>	<b>\$ 1,084</b>	<b>\$ 995</b>	<b>\$ 991</b>

## Adjusted Other Revenue

(\$ millions)	QUARTERLY TREND												
	4Q 19	3Q 19	2Q 19	1Q 19	4Q 18	3Q 18	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
GAAP Other Revenue	\$ 487	\$ 413	\$ 395	\$ 466	\$ 298	\$ 398	\$ 364	\$ 354	\$ 379	\$ 381	\$ 388	\$ 396	\$ 392
Accelerated OID & repositioning items	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in the fair value of equity securities	(29)	11	(2)	(70)	95	(6)	(8)	40	-	-	-	-	-
<b>Adjusted Other Revenue</b>	<b>[b] \$ 458</b>	<b>\$ 424</b>	<b>\$ 393</b>	<b>\$ 396</b>	<b>\$ 393</b>	<b>\$ 392</b>	<b>\$ 356</b>	<b>\$ 394</b>	<b>\$ 379</b>	<b>\$ 381</b>	<b>\$ 388</b>	<b>\$ 396</b>	<b>\$ 392</b>

## Adjusted Total Net Revenue

(\$ millions)	QUARTERLY TREND												
<b>Adjusted Total Net Revenue</b>	<b>[a]+[b] \$ 1,622</b>	<b>\$ 1,620</b>	<b>\$ 1,557</b>	<b>\$ 1,535</b>	<b>\$ 1,556</b>	<b>\$ 1,521</b>	<b>\$ 1,471</b>	<b>\$ 1,463</b>	<b>\$ 1,492</b>	<b>\$ 1,480</b>	<b>\$ 1,472</b>	<b>\$ 1,391</b>	<b>\$ 1,383</b>

(1) Excludes accelerated OID. See page 31 for definitions.

Note: Equity fair value adjustments related to ASU 2016-01 requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity. See page 31 for definitions.