



## Ally Financial Inc.

Morgan Stanley Financials Conference  
June 14, 2017



# Forward-Looking Statements and Additional Information

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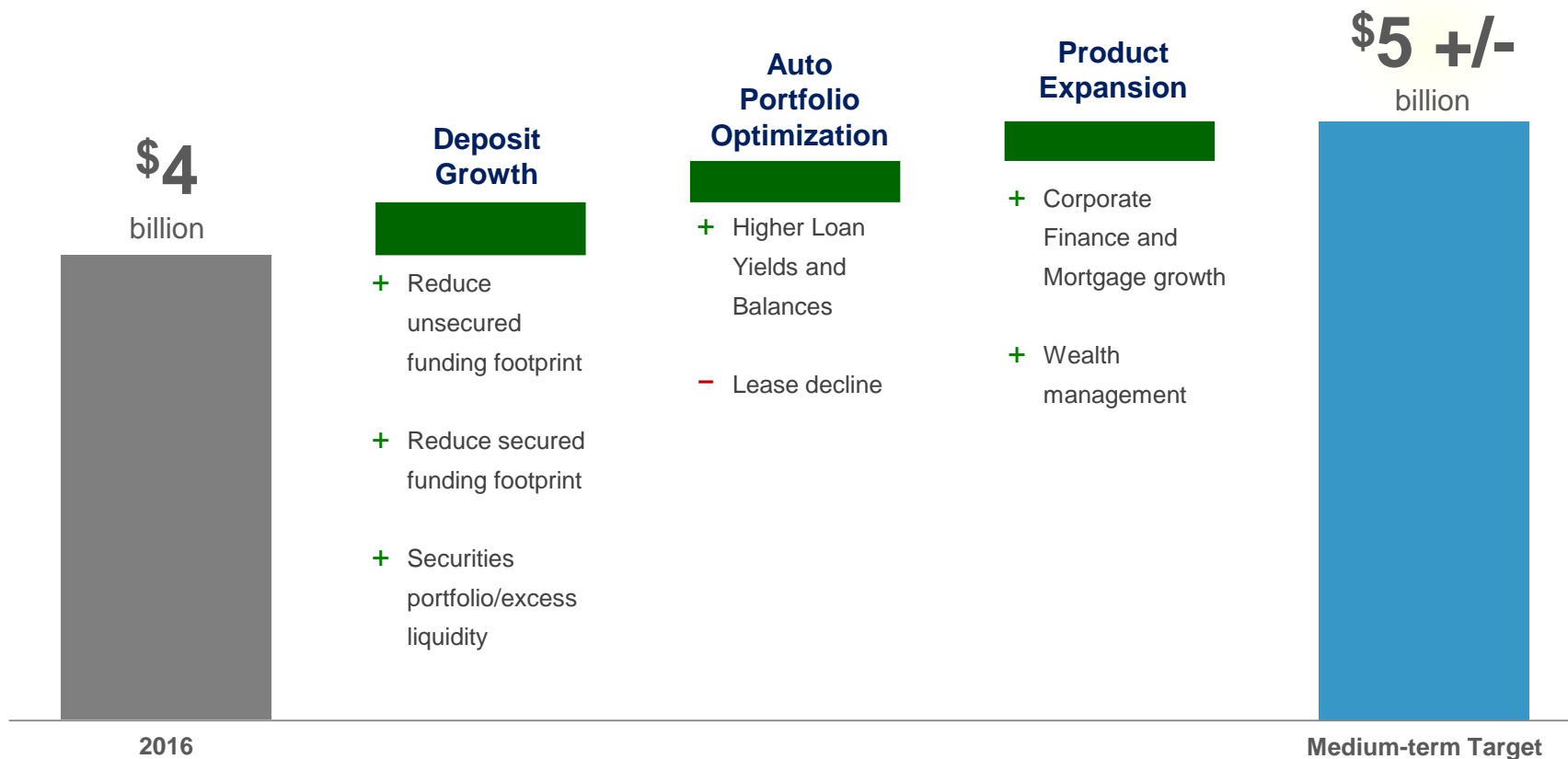


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# Path to \$5 billion +/- Net Financing Revenue<sup>(1)</sup>

## Net Financing Revenue (excluding OID)<sup>(1)</sup> Growth Simulation



## Asset growth from capital efficient assets while auto assets relatively flat

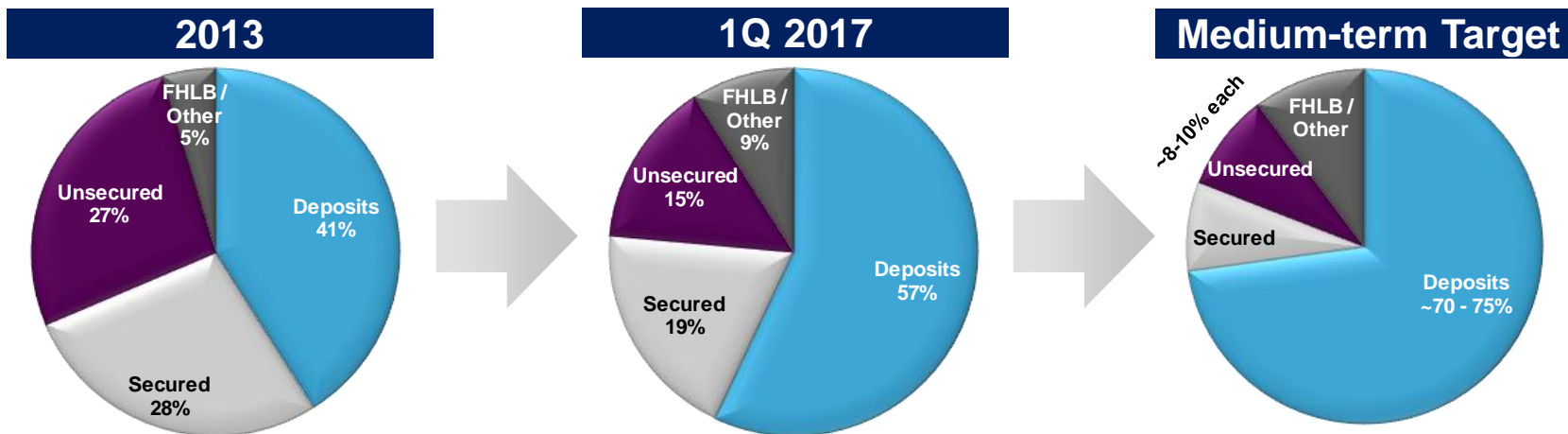
(\$ billions)	1Q 2017 <sup>(1)</sup>		Medium-term Expectations
	Average Balance	Average Yield	
<b>Retail Auto Loan</b>	\$66	5.7%	• Estimated originated yield <sup>(3)</sup> YTD '17 of <b>6.3%</b>
<b>Commercial Auto</b>	\$38	3.2%	• Asset yields expected to rise with benchmarks
<b>Auto Lease</b>	\$11	5.7%	• Expect normalized balance of approximately <b>\$7-8</b> billion
<b>Mortgage</b>	\$11	3.5%	• Capital efficient asset growth
<b>Corporate Finance</b>	\$3	6.5%	• Expect normalized balance of approximately <b>\$6-7</b> billion
<b>Total Loans &amp; Leases</b>	<b>\$129</b>	<b>4.8%</b>	
<b>Securities</b>	\$20	2.5%	• Capital efficient - expect growth with deposit funding
<b>Cash &amp; Other</b>	\$3	1.5%	• Fairly flat
<b>Total Earning Assets</b>	<b>\$153</b>	<b>4.4%</b>	

(1) Average balances as of 3/31/2017; yields represent 1Q 2017 average

(2) Note: numbers may not foot due to rounding

(3) Estimated originated yield is a forward-looking non-GAAP financial measure determined by calculating the estimated average annualized yield for loans originated during the period.

Mix continues to shift towards deposits as the primary funding source



Note: Funding profiles based on average daily balances

1Q 2017<sup>(1)</sup>

(\$ billions)	Average Balance	Average Yield	Medium-term Expectations
Deposits	\$82	1.1%	<ul style="list-style-type: none"> <li>Expect growth of \$12+ billion per year (total deposits)</li> <li>Less reliance as deposits become primary funding</li> <li>Scheduled maturities replaced with deposit funding</li> <li>Fungible use for mortgage growth opportunities</li> </ul>
Secured Debt	\$28	1.9%	
Unsecured Debt	\$21	5.1%	
FHLB/Other <sup>(2)</sup>	\$13	1.2%	
<b>Total Funding Sources<sup>(3)</sup></b>	<b>\$144</b>	<b>1.9%</b>	

(1) Average balances as of 3/31/2017; yields represent 1Q 2017 average

(2) Includes Demand Notes, FHLB, and Repurchase Agreements

(3) Represents a non-GAAP financial measure. Excludes OID. See page 9 for calculation methodology and details.

# Unsecured Maturities

Significant benefit as unsecured debt maturities are replaced with low-cost deposits

## Ally Unsecured Debt Securities<sup>(1)</sup>

Maturity Date	Coupon	Principal Amount Outstanding <sup>(2)</sup> (\$ billions)	Illustrative EPS Savings @ Refi. Cost of: <sup>(3)</sup>	
			1.25%	2.00%
1/30/2017	2.750	\$1.00	\$0.02	\$0.01
2/15/2017	5.500	\$1.50	\$0.09	\$0.07
9/29/2017	3.250	\$0.30	\$0.01	\$0.01
12/1/2017	6.250	\$1.00	\$0.07	\$0.06
12/15/2017	2.500	\$0.46	\$0.01	\$0.00
2/13/2018	3.250	\$0.60	\$0.02	\$0.01
5/21/2018	3.600	\$1.00	\$0.03	\$0.02
9/10/2018	4.750	\$0.75	\$0.04	\$0.03
11/5/2018	3.250	\$0.75	\$0.02	\$0.01
12/31/2018	8.000	\$0.48	\$0.05	\$0.04
1/27/2019	3.500	\$0.75	\$0.03	\$0.02
11/18/2019	3.750	\$0.80	\$0.03	\$0.02
3/15/2020	8.000	\$0.97	\$0.11	\$0.10
3/30/2020	4.125	\$0.75	\$0.04	\$0.03
9/15/2020	7.500	\$0.46	\$0.05	\$0.04
4/15/2021	4.250	\$0.60	\$0.03	\$0.02
2/13/2022	4.125	\$0.65	\$0.03	\$0.02
5/19/2022	4.625	\$0.40	\$0.02	\$0.02
9/30/2024	5.125	\$0.70	\$0.05	\$0.04
3/30/2025	4.625	\$0.50	\$0.03	\$0.02
11/20/2025	5.750	\$1.05	\$0.08	\$0.07
11/1/2031	8.000	\$0.49	\$0.06	\$0.05
11/1/2031	8.000	\$2.00	\$0.23	\$0.21

~\$12 billion  
in maturities  
(‘17 – ‘20)

Between  
**\$0.45 - \$0.60**  
annual EPS benefit  
timing of full benefit subject to  
bank leverage ratio normalization

Long runway for  
continued liability  
optimization

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

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

(3) Illustrative EPS savings assumes 35% tax rate.

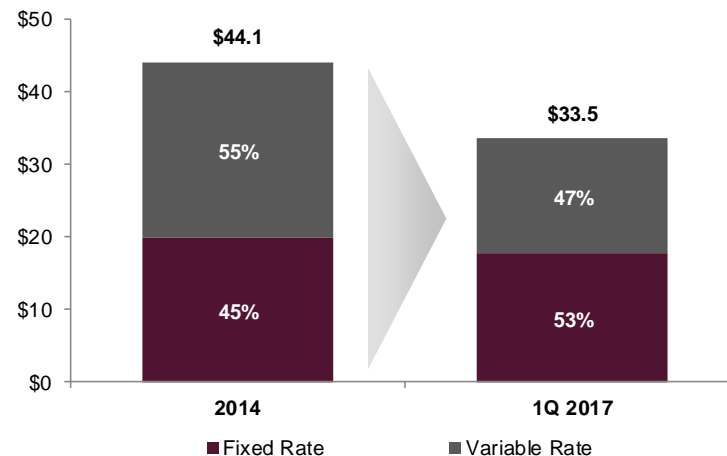
# Secured Debt Footprint

Secured funding poised to become more efficient over time as assets move to bank

(\$ billions)	1Q 2017	
	Average Balance	Average Yield
<b>Secured Facilities</b>		
Bank	\$3	1.8%
Parent	\$12	1.9%
<b>Securitization Platforms</b>		
AFIN (parent) <sup>(1)</sup>	\$6	2.2%
AMOT (bank) <sup>(2)</sup>	\$5	1.6%
AART (bank) <sup>(3)</sup>	\$2	1.4%
<b>Total Secured Funding</b>	<b>\$28</b>	<b>1.9%</b>

Expect significant reduction in parent funding needs over the medium-term

Fixed vs. Variable Secured Debt (\$ billions)



Note: total balance sheet secured debt, includes FHLB funding

Average balances and yields represents 1Q 2017 average

Note: does not include FHLB funding and ~\$125 million of lease securitizations

(1) AFIN – Ally Financial Inc. (Parent) non-prime retail auto loan asset backed securitization program

(2) AMOT – Ally Bank dealer floorplan asset backed securitization program

(3) AART – Ally Bank prime retail auto loan asset backed securitization program

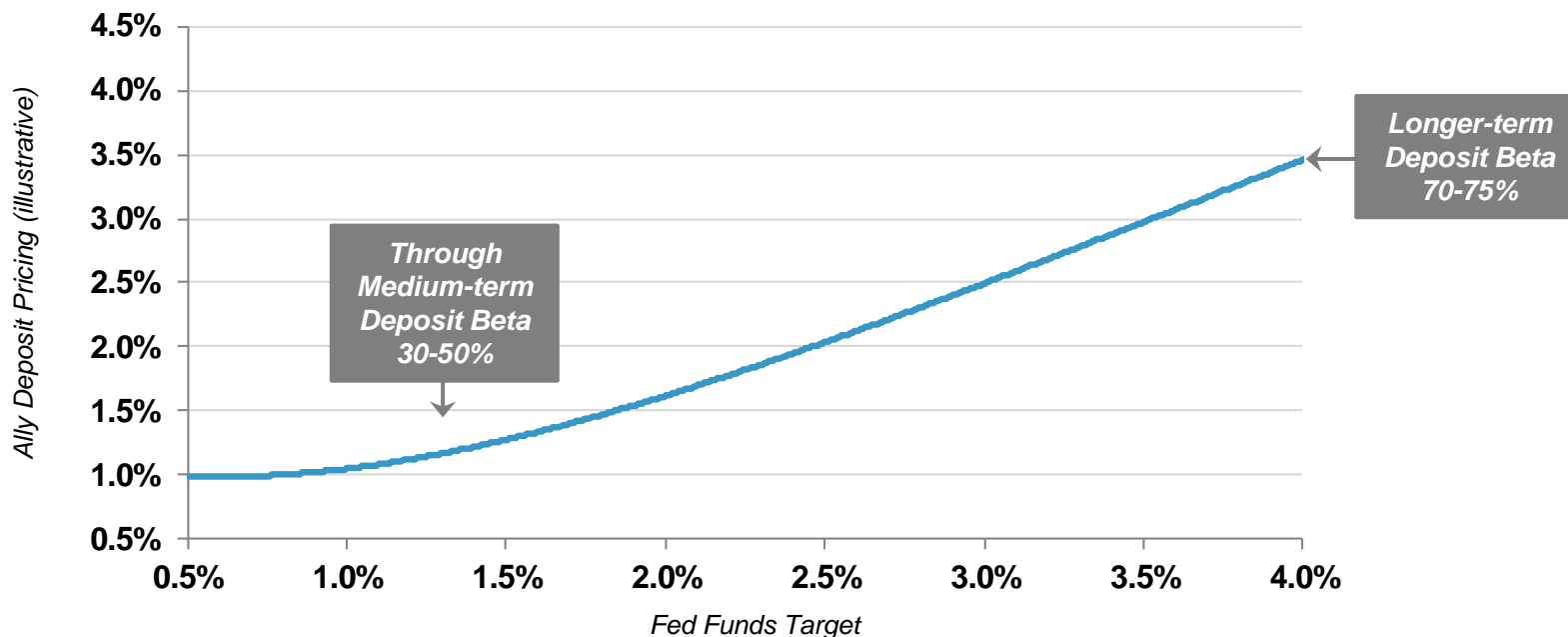
# Deposit Re-pricing

## Modeling pass-through rate to steepen over time

- Betas have been muted through FOMC tightening actions to date, but are expected to steadily increase over time
- Ally's deposit growth expected to outpace balance sheet growth over next several years as funding mix is optimized

### Ally - Deposit Pricing Path v. Fed Funds Target

Based on May 31st, 2017 Forward Curve



Ally's interest rate risk models use dynamic assumptions driven by a number of factors, including the overall level of interest rates and the spread between short-term and long-term interest rates to project changes in Ally's retail deposit offered rates. Please see the 10-Q for more details.



# Notes on non-GAAP and other financial measures

## Net Financing Revenue (ex. OID)

*\$ in millions*

	<u>FY 2016</u>
<b>GAAP Net Financing Revenue</b>	<b>\$ 3,907</b>
Original Issue Discount ("OID")	57
<b>Net Financing Revenue (ex. OID)</b>	<b>\$ 3,964</b>

## Total Funding Sources (ex. OID)

*\$ in billions*

	<u>1Q 2017</u>
<b>GAAP Total Funding Sources</b>	<b>\$ 143</b>
Original Issue Discount ("OID")	1
<b>Total Funding Sources (ex. OID)</b>	<b>\$ 144</b>

**Net Financing Revenue (ex. OID)** is a non-GAAP financial that adjusts non-cash expense bond exchange original issue discount (OID).

**Total Funding Sources (ex. OID)** is a non-GAAP financial that adjusts bond exchange original issue discount (OID). Reflects average balances.