



SECOND QUARTER 2018
FINANCIAL SUPPLEMENT

This document 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 document 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 our statements about targets and expectations for various financial and operating metrics. 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, 2017, 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 document and related communications contain specifically identified non-GAAP financial measures, which supplement the results that are reported according to 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.

Our use of the term “loans” describes all of the products associated with our direct and indirect lending activities. The specific products include loans, retail installment sales contracts, lines of credit, leases, and other financing products. The term “lend” or “originate” refers to our direct origination of loans or our purchase or acquisition of loans.

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(\$ in millions, shares in thousands)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Selected Income Statement Data							
Net financing revenue (ex. Core OID) ⁽¹⁾	\$ 1,115	\$ 1,069	\$ 1,113	\$ 1,099	\$ 1,084	\$ 46	\$ 31
Core OID	(21)	(20)	(19)	(18)	(17)	(1)	(4)
Net financing revenue (as reported)	1,094	1,049	1,094	1,081	1,067	45	27
Other revenue (ex. change in the fair value of equity securities) ⁽²⁾	356	394	379	381	388	(38)	(32)
Change in the fair value of equity securities ⁽³⁾	8	(40)	-	-	-	48	8
Other revenue (as reported)	364	354	379	381	388	10	(24)
Provision for loan losses	158	261	294	314	269	(103)	(111)
Total noninterest expense ⁽⁴⁾	839	814	769	753	810	25	29
Pre-tax income from continuing operations	461	328	410	395	376	133	85
Income tax expense	113	76	231	115	122	37	(9)
Income / (loss) from discontinued operations, net of tax	1	(2)	2	2	(2)	3	3
Net income attributable to common shareholders	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 99	\$ 97
Selected Balance Sheet Data (Period-End)							
Total assets	\$ 171,345	\$ 170,021	\$ 167,148	\$ 164,013	\$ 164,345	\$ 1,324	\$ 7,000
Consumer loans	85,604	84,002	81,821	79,092	78,068	1,602	7,536
Commercial loans	39,940	41,325	41,072	39,779	42,460	(1,385)	(2,520)
Allowance for loan losses	(1,257)	(1,278)	(1,276)	(1,286)	(1,225)	21	(32)
Deposits	98,734	97,446	93,256	90,116	86,183	1,288	12,551
Total equity	13,139	13,082	13,494	13,573	13,473	57	(334)
Common Share Count							
Weighted average basic ⁽⁵⁾	430,628	436,213	442,108	449,169	457,891	(5,585)	(27,263)
Weighted average diluted ⁽⁵⁾	432,554	438,931	444,985	451,078	458,819	(6,377)	(26,265)
Issued shares outstanding (period-end)	425,752	432,691	437,054	443,796	452,292	(6,939)	(26,540)
Per Common Share Data							
Earnings per share (basic) ⁽⁵⁾	0.81	\$ 0.57	\$ 0.41	\$ 0.63	\$ 0.55	\$ 0.23	\$ 0.26
Earnings per share (diluted) ⁽⁵⁾	0.81	0.57	0.41	0.63	0.55	0.24	0.26
Adjusted earnings per share ⁽⁶⁾	0.83	0.68	0.70	0.65	0.58	0.15	0.25
Book value per share	30.9	30.2	30.9	30.6	29.8	0.6	1.1
Tangible book value per share ⁽⁷⁾	30.2	29.6	30.2	29.9	29.2	0.6	1.0
Adjusted tangible book value per share ⁽⁷⁾	28.1	27.4	28.1	28.2	27.4	0.6	0.7
Select Financial Ratios							
Net interest margin (as reported)	2.68%	2.64%	2.75%	2.74%	2.76%		
Net interest margin (ex. Core OID) ⁽⁸⁾	2.74%	2.69%	2.80%	2.78%	2.80%		
Cost of funds	2.30%	2.16%	2.01%	2.01%	1.94%		
Cost of funds (ex. Core OID) ⁽⁸⁾	2.23%	2.09%	1.94%	1.94%	1.88%		
Efficiency Ratio ⁽⁹⁾	57.5%	58.0%	52.2%	51.5%	55.7%		
Adjusted efficiency ratio ⁽⁸⁾⁽⁹⁾	47.7%	50.1%	46.4%	44.9%	43.7%		
Return on average assets ⁽¹⁰⁾	0.8%	0.6%	0.4%	0.7%	0.6%		
Return on average total equity ⁽¹⁰⁾	10.6%	7.5%	5.3%	8.3%	7.5%		
Return on average tangible common equity ⁽¹⁰⁾	10.9%	7.7%	5.5%	8.5%	7.7%		
Core ROTCE ⁽¹¹⁾	12.8%	10.6%	10.8%	10.3%	9.6%		
Capital Ratios ⁽¹²⁾							
Common Equity Tier 1 (CET1) capital ratio	9.4%	9.3%	9.5%	9.7%	9.5%		
Tier 1 capital ratio	11.1%	11.0%	11.2%	11.5%	11.2%		
Total capital ratio	12.7%	12.6%	12.9%	13.2%	12.8%		
Tier 1 leverage ratio	9.2%	9.3%	9.5%	9.5%	9.5%		

(1) Represents a non-GAAP financial measure. Excludes Core OID. For more details refer to page 21.

(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, 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. For Non-GAAP calculation methodology and details see page 21.

(3) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(4) Including but not limited to employee related expenses, commissions and provision for losses and loss adjustment expense related to the insurance business, information technology expenses, servicing expenses, facilities expenses, marketing expenses, and other professional and legal expenses.

(5) Includes shares related to share-based compensation that vested but were not yet issued.

(6) Represents a non-GAAP financial measure. For more details refer to page 21.

(7) Represents a non-GAAP financial measure. For more details refer to page 22.

(8) Represents a non-GAAP financial measure. Excludes Core OID. For more details refer to page 21.

(9) Represents a non-GAAP financial measure. For more details refer to page 24.

(10) Return metrics are annualized.

(11) Return metrics are annualized. Represents a non-GAAP financial measure. For more details refer to page 23.

(12) 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.

ALLY FINANCIAL INC.
CONSOLIDATED INCOME STATEMENT



(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Financing revenue and other interest income							
Interest and fees on finance receivables and loans	\$ 1,647	\$ 1,543	\$ 1,518	\$ 1,486	\$ 1,447	\$ 104	\$ 200
Interest on loans held-for-sale	6	-	-	-	-	6	6
Total interest and dividends on investment securities	173	163	153	150	139	10	34
Interest-bearing cash	17	15	14	11	7	2	10
Other earning assets	15	13	9	7	7	2	8
Operating leases	374	382	402	434	488	(8)	(114)
Total financing revenue and other interest income	2,232	2,116	2,096	2,088	2,088	116	144
Interest expense							
Interest on deposits	399	351	311	285	250	48	149
Interest on short-term borrowings	40	32	33	34	33	8	7
Interest on long-term debt	434	411	396	416	417	23	17
Total interest expense	873	794	740	735	700	79	173
Depreciation expense on operating lease assets	265	273	262	272	321	(8)	(56)
Net financing revenue (as reported)	\$ 1,094	\$ 1,049	\$ 1,094	\$ 1,081	\$ 1,067	\$ 45	\$ 27
Net revenue							
Servicing fees	7	8	10	11	14	(1)	(7)
Insurance premiums and service revenue earned	239	256	253	252	227	(17)	12
Gain on mortgage and automotive loans, net	1	1	3	15	36	-	(35)
Loss on extinguishment of debt	-	-	(1)	(4)	(1)	-	1
Other gain/loss on investments, net	27	(12)	29	23	23	39	4
Other income, net of losses	91	100	86	83	89	(9)	3
Total other revenue	364	354	379	381	388	10	(24)
Total net revenue	1,458	1,403	1,473	1,462	1,455	55	3
Provision for loan losses	158	261	294	314	269	(103)	(111)
Noninterest expense							
Compensation and benefits expense	292	306	281	264	265	(14)	27
Insurance losses and loss adjustment expenses	101	63	54	65	125	38	(24)
Other operating expenses	446	445	434	424	420	1	26
Total noninterest expense	839	814	769	753	810	25	29
Pre-tax income from continuing operations	\$ 461	\$ 328	\$ 410	\$ 395	\$ 376	\$ 133	\$ 85
Income tax expense from continuing operations	113	76	231	115	122	37	(9)
Net income from continuing operations	348	252	179	280	254	96	94
Income / (loss) from discontinued operations, net of tax	1	(2)	2	2	(2)	3	3
Net income	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 99	\$ 97
Core Pre-Tax Income Walk							
Net financing revenue (ex. Core OID) ⁽¹⁾	\$ 1,115	\$ 1,069	\$ 1,113	\$ 1,099	\$ 1,084	\$ 46	\$ 31
Adjusted other revenue ⁽²⁾	356	394	379	381	388	(38)	(32)
Provision for loan losses	158	261	294	314	269	(103)	(111)
Noninterest expense	839	814	769	753	810	25	29
Core pre-tax income ⁽³⁾	\$ 474	\$ 388	\$ 429	\$ 413	\$ 393	\$ 86	\$ 81
Core OID	21	20	19	18	17	1	4
Change in the fair value of equity securities ⁽⁴⁾	(8)	40	-	-	-	(48)	(8)
Pre-tax income from continuing operations	\$ 461	\$ 328	\$ 410	\$ 395	\$ 376	\$ 133	\$ 85

(1) Represents a non-GAAP financial measure. Excludes Core OID. For more details refer to page 21.

(2) Represents a non-GAAP financial measure. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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. For more details refer to page 21.

(3) 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, effective 1/1/2018, 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. 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.

(4) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

ALLY FINANCIAL INC.
CONSOLIDATED PERIOD-END BALANCE SHEET



(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Assets							
Cash and cash equivalents							
Noninterest-bearing	\$ 799	\$ 768	\$ 844	\$ 810	\$ 1,514	\$ 31	\$ (715)
Interest-bearing	3,125	2,953	3,408	3,614	2,863	172	262
Total cash and cash equivalents	3,924	3,721	4,252	4,424	4,377	203	(453)
Investment securities ⁽¹⁾	25,906	25,373	24,720	24,938	22,953	533	2,953
Loans held-for-sale, net	328	126	108	18	17	202	311
Finance receivables and loans	125,544	125,327	122,893	118,871	120,528	217	5,016
Allowance for loan losses	(1,257)	(1,278)	(1,276)	(1,286)	(1,225)	21	(32)
Total finance receivables and loans, net	124,287	124,049	121,617	117,585	119,303	238	4,984
Investment in operating leases, net	8,639	8,530	8,741	8,931	9,717	109	(1,078)
Premiums receivables and other insurance assets	2,247	2,197	2,047	2,054	2,025	50	222
Other assets	6,014	6,025	5,663	6,063	5,953	(11)	61
Total assets	\$ 171,345	\$ 170,021	\$ 167,148	\$ 164,013	\$ 164,345	\$ 1,324	\$ 7,000
Liabilities							
Deposit liabilities							
Noninterest-bearing	\$ 153	\$ 122	\$ 108	\$ 129	\$ 107	\$ 31	\$ 46
Interest-bearing	98,581	97,324	93,148	89,987	86,076	1,257	12,505
Total deposit liabilities	98,734	97,446	93,256	90,116	86,183	1,288	12,551
Short-term borrowings	7,108	9,564	11,413	10,175	10,712	(2,456)	(3,604)
Long-term debt	47,328	45,076	44,226	45,122	49,145	2,252	(1,817)
Interest payable	568	494	375	552	399	74	169
Unearned insurance premiums and service revenue	2,957	2,904	2,604	2,583	2,541	53	416
Accrued expense and other liabilities	1,511	1,455	1,780	1,892	1,892	56	(381)
Total liabilities	\$ 158,206	\$ 156,939	\$ 153,654	\$ 150,440	\$ 150,872	\$ 1,267	\$ 7,334
Equity							
Common stock and paid-in capital ⁽²⁾	\$ 19,813	\$ 19,978	\$ 20,135	\$ 20,303	\$ 20,478	\$ (165)	\$ (665)
Accumulated deficit	(6,026)	(6,318)	(6,406)	(6,533)	(6,760)	292	734
Accumulated other comprehensive (loss) income	(648)	(578)	(235)	(197)	(245)	(70)	(403)
Total equity	13,139	13,082	13,494	13,573	13,473	57	(334)
Total liabilities and equity	\$ 171,345	\$ 170,021	\$ 167,148	\$ 164,013	\$ 164,345	\$ 1,324	\$ 7,000

(1) Includes held-to-maturity securities.

(2) Includes Treasury stock.

ALLY FINANCIAL INC.
CONSOLIDATED AVERAGE BALANCE SHEET ⁽¹⁾



(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Assets							
Interest-bearing cash and cash equivalents	\$ 3,048	\$ 3,503	\$ 3,825	\$ 3,148	\$ 2,683	\$ (455)	\$ 365
Investment securities	26,987	26,316	25,252	25,111	23,049	671	3,938
Loans held-for-sale, net	358	28	13	6	2	330	356
Total finance receivables and loans, net ⁽²⁾	124,516	122,531	119,877	119,051	119,234	1,985	5,282
Investment in operating leases, net	8,583	8,629	8,831	9,320	10,109	(46)	(1,526)
Total interest earning assets	163,492	161,007	157,798	156,636	155,078	2,485	8,414
Noninterest-bearing cash and cash equivalents	526	514	527	720	968	12	(442)
Other assets	7,505	7,286	7,271	7,740	7,727	219	(222)
Allowance for loan losses	(1,274)	(1,281)	(1,287)	(1,226)	(1,172)	7	(102)
Total assets	\$ 170,249	\$ 167,526	\$ 164,309	\$ 163,870	\$ 162,601	\$ 2,723	\$ 7,648
Liabilities							
Interest-bearing deposit liabilities	\$ 97,351	\$ 95,299	\$ 91,339	\$ 88,115	\$ 84,792	\$ 2,052	\$ 12,559
Short-term borrowings	8,767	8,342	9,819	9,137	9,024	425	(257)
Long-term debt ⁽³⁾	45,802	45,535	44,696	47,965	50,723	267	(4,921)
Total interest-bearing liabilities ⁽³⁾	151,920	149,176	145,854	145,217	144,539	2,744	7,381
Noninterest-bearing deposit liabilities	126	114	109	106	95	12	31
Other liabilities	5,134	5,040	4,804	5,001	4,526	94	608
Total liabilities	\$ 157,180	\$ 154,330	\$ 150,767	\$ 150,324	\$ 149,160	\$ 2,850	\$ 8,020
Equity							
Total equity	\$ 13,069	\$ 13,196	\$ 13,542	\$ 13,546	\$ 13,441	\$ (127)	\$ (372)
Total liabilities and equity	\$ 170,249	\$ 167,526	\$ 164,309	\$ 163,870	\$ 162,601	\$ 2,723	\$ 7,648

⁽¹⁾ Average balances are calculated using a combination of monthly and daily average methodologies. Periods prior to 4Q 16 may not tie to previous Financial Supplement disclosures due to the current methodology which includes equity investment security balances within investment securities, previously included within other assets.

⁽²⁾ Nonperforming finance receivables and loans are included in the average balances net of unearned income, unamortized premiums and discounts, and deferred fees and costs.

⁽³⁾ Includes average Core OID balance of \$1,148 million in 2Q 18, \$1,168 million in 1Q 18, \$1,188 million in 4Q 17, \$1,206 million in 3Q 17, and \$1,224 million in 2Q 17.

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Pre-tax Income							
Automotive Finance	\$ 382	\$ 268	\$ 285	\$ 300	\$ 347	\$ 114	\$ 35
Insurance	11	27	80	69	(21)	(16)	32
Dealer Financial Services	393	295	365	369	326	98	67
Mortgage Finance	14	8	2	2	7	6	7
Corporate Finance	58	29	32	22	35	29	23
Corporate and Other ⁽¹⁾	(4)	(4)	11	2	8	-	(12)
Pre-tax income from continuing operations	\$ 461	\$ 328	\$ 410	\$ 395	\$ 376	\$ 133	\$ 85
Core OID ⁽²⁾	21	20	19	18	17	1	4
Change in the fair value of equity securities ⁽³⁾	(8)	40	-	-	-	(48)	(8)
Core pre-tax income ⁽⁴⁾	\$ 474	\$ 388	\$ 429	\$ 413	\$ 393	\$ 86	\$ 81

(1) Corporate and Other primarily consists of activity related to centralized corporate treasury activities such as management of the cash and corporate investment securities and loan portfolios, short- and long-term debt, retail and brokered deposit liabilities, derivative instruments, the amortization of the discount associated with new debt issuances and bond exchanges, and the residual impacts of our corporate FTP and treasury ALM activities. Corporate and Other also includes certain equity investments, the management of our legacy mortgage portfolio, and reclassifications and eliminations between the reportable operating segments. Subsequent to June 1, 2016, Ally Invest activity included within the Corporate & Other segment.

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

(3) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(4) 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, effective 1/1/2018, 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. 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.

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Income Statement							
Net financing revenue							
Consumer	\$ 1,058	\$ 1,012	\$ 1,009	\$ 987	\$ 962	\$ 46	\$ 96
Commercial	371	342	336	341	325	29	46
Operating leases	374	382	402	434	488	(8)	(114)
Other interest income	1	2	1	2	1	(1)	-
Total financing revenue and other interest income	1,804	1,738	1,748	1,764	1,776	66	28
Interest expense	614	556	547	542	523	58	91
Depreciation expense on operating lease assets:							
Depreciation expense on operating lease assets (ex. remarketing)	281	291	306	324	353	(10)	(72)
Remarketing gains	16	18	44	51	32	(2)	(16)
Total depreciation expense on operating lease assets	265	273	262	272	321	(8)	(56)
Net financing revenue	925	909	939	950	932	16	(7)
Other revenue							
Servicing fees	7	8	10	11	14	(1)	(7)
Gain/(loss) on automotive loans, net	-	-	3	14	35	-	(35)
Other income	55	58	52	57	58	(3)	(3)
Total other revenue	63	66	65	82	107	(3)	(44)
Total net revenue	988	975	1,004	1,032	1,039	13	(51)
Provision for loan losses	170	259	288	312	266	(89)	(96)
Noninterest expense							
Compensation and benefits	130	131	132	124	125	(1)	5
Other operating expenses	306	317	299	296	301	(11)	5
Total noninterest expense	436	448	431	420	426	(12)	10
Income before income tax expense	\$ 382	\$ 268	\$ 285	\$ 300	\$ 347	\$ 114	\$ 35
Memo: Net lease revenue							
Operating lease revenue	\$ 374	\$ 382	\$ 402	\$ 434	\$ 488	\$ (8)	\$ (114)
Depreciation expense on operating lease assets (ex. remarketing)	281	291	306	324	353	(10)	(72)
Remarketing gains (losses), net of repo valuation	16	18	44	51	32	(2)	(16)
Total depreciation expense on operating lease assets	265	273	262	272	321	(8)	(56)
Net lease revenue	\$ 109	\$ 109	\$ 140	\$ 162	\$ 167	\$ -	\$ (58)
Balance Sheet (Period-End)							
Cash, trading and investment securities	\$ 23	\$ 23	\$ 23	\$ 23	\$ 23	\$ -	\$ -
Consumer loans	70,512	69,348	68,053	67,053	66,746	1,164	3,766
Commercial loans ⁽¹⁾	35,645	36,935	37,058	36,005	38,840	(1,290)	(3,195)
Allowance for loan losses	(1,121)	(1,134)	(1,129)	(1,134)	(1,066)	13	(55)
Total finance receivables and loans, net	105,036	105,149	103,982	101,924	104,520	(113)	516
Investment in operating leases, net	8,639	8,530	8,741	8,931	9,717	109	(1,078)
Other assets	1,217	1,232	1,343	1,263	1,187	(15)	30
Total assets	\$ 114,915	\$ 114,934	\$ 114,089	\$ 112,141	\$ 115,447	\$ (19)	\$ (532)

(1) Includes intercompany loan activity

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
U.S. Consumer Originations ⁽¹⁾ (\$ in billions)							
Retail standard - new vehicle GM	\$ 1.2	\$ 1.5	\$ 1.8	\$ 1.5	\$ 1.3	\$ (0.3)	\$ (0.1)
Retail standard - new vehicle Chrysler	0.9	0.9	1.0	0.9	1.0	(0.0)	(0.1)
Retail standard - new vehicle Growth	1.2	1.2	1.2	1.1	1.2	0.0	0.1
Used vehicle	4.9	4.8	3.8	3.6	4.0	0.2	0.9
Lease	1.2	1.0	1.3	0.9	1.1	0.2	0.1
Retail subvented	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total originations	\$ 9.6	\$ 9.5	\$ 9.1	\$ 8.1	\$ 8.6	\$ 0.1	\$ 1.0
U.S. Consumer Originations - FICO Score							
Super Prime (CB 740+)	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.1	\$ 2.1	\$ (0.1)	\$ 0.2
Prime (CB 739-660)	3.5	3.4	3.2	2.9	3.0	0.1	0.5
Prime/Near (CB 659-620)	2.2	2.2	2.0	1.9	2.0	0.1	0.2
Non Prime (CB 619-540)	0.9	0.8	0.7	0.7	0.9	0.0	(0.0)
Sub Prime (CB 539-0)	0.1	0.1	0.1	0.1	0.1	(0.0)	(0.0)
Commercial Services Group ⁽²⁾	0.5	0.6	0.6	0.5	0.5	(0.0)	0.1
Total originations	\$ 9.6	\$ 9.5	\$ 9.1	\$ 8.1	\$ 8.6	\$ 0.1	\$ 1.0
U.S. Market							
Light vehicle sales (SAAR - units in millions)	17.1	17.1	17.7	17.1	16.8	(0.0)	0.4
Light vehicle sales (quarterly - units in millions)	4.5	4.1	4.3	4.4	4.4	0.4	0.1
GM market share	16.9%	17.5%	18.6%	17.8%	16.5%		
Chrysler market share	13.4%	12.6%	11.1%	11.6%	12.7%		
Ally U.S. Consumer Penetration							
GM	5.9%	7.6%	8.1%	7.0%	6.2%		
Chrysler	12.5%	13.1%	15.8%	13.1%	13.8%		
Ally U.S. Commercial Outstandings EOP (\$ in billions)							
Floorplan outstandings	\$ 29.4	\$ 30.7	\$ 31.0	\$ 30.0	\$ 32.9	\$ (1.3)	\$ (3.5)
Dealer loans and other	6.3	6.2	6.1	6.0	6.0	0.0	0.3
Total Commercial outstandings	\$ 35.6	\$ 36.9	\$ 37.1	\$ 36.0	\$ 38.8	\$ (1.3)	\$ (3.2)
U.S. Off-Lease Remarketing							
Off-lease vehicles terminated - on-balance sheet (# in units)	35,919	44,722	54,161	64,461	71,667	(8,803)	(35,748)
Average (loss) / gain per vehicle	\$ 447	\$ 404	\$ 809	\$ 791	\$ 453	\$ 42	\$ (6)
Total gain / (loss) (\$ in millions)	\$ 16	\$ 18	\$ 44	\$ 51	\$ 32	\$ (2)	\$ (16)

(1) Some standard rate loan originations contain manufacturer sponsored cash back rebate incentives. Some lease originations contain rate subvention. While Ally may jointly develop marketing programs for these originations, Ally does not have exclusive rights to such originations under operating agreements with manufacturers

(2) Commercial Services Group (CSG) are business customers. Average annualized credit losses of 40-45 bps on CSG loans for 2016 and 2017.

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Income Statement (GAAP View)							
Net financing revenue							
Interest and dividends on investment securities	\$ 26	\$ 26	\$ 26	\$ 26	\$ 25	\$ -	\$ 1
Interest bearing cash	3	2	2	2	2	1	1
Total financing revenue and other interest revenue	29	28	28	28	27	1	2
Interest expense	16	16	13	13	13	-	3
Net financing revenue	13	12	15	15	14	1	(1)
Other revenue							
Insurance premiums and service revenue earned	239	256	253	252	227	(17)	12
Other gain/(loss) on investments, net	25	(14)	23	19	15	39	10
Other income, net of losses	2	4	2	1	3	(2)	(1)
Total other revenue	266	246	278	272	245	20	21
Total net revenue	279	258	293	287	259	21	20
Noninterest expense							
Compensation and benefits expense	18	21	19	17	18	(3)	-
Insurance losses and loss adjustment expenses	101	63	54	65	125	38	(24)
Other operating expenses	149	147	140	136	137	2	12
Total noninterest expense	268	231	213	218	280	37	(12)
Income (Loss) before income tax expense	\$ 11	\$ 27	\$ 80	\$ 69	\$ (21)	\$ (16)	\$ 32
Memo: Income Statement (Managerial View)							
Insurance premiums and other income							
Insurance premiums and service revenue earned	\$ 239	\$ 256	\$ 253	\$ 252	\$ 227	\$ (17)	\$ 12
Investment income (adjusted) ⁽¹⁾	30	33	38	34	29	(3)	1
Other income	2	4	2	1	3	(2)	(1)
Total insurance premiums and other income	271	293	293	287	259	(22)	12
Expense							
Insurance losses and loss adjustment expenses	101	63	54	65	125	38	(24)
Acquisition and underwriting expenses							
Compensation and benefit expense	18	21	19	17	18	(3)	-
Insurance commission expense	109	110	106	106	104	(2)	5
Other expense	40	37	34	30	33	4	7
Total acquisition and underwriting expense	167	168	159	153	155	(1)	12
Total expense	268	231	213	218	280	37	(12)
Core pre-tax income ⁽¹⁾	3	62	80	69	(21)	(59)	24
Change in the fair value of equity securities ⁽²⁾	8	(35)	-	-	-	43	8
Income (Loss) before income tax expense	\$ 11	\$ 27	\$ 80	\$ 69	\$ (21)	\$ (16)	\$ 32
Balance Sheet (Period-End)							
Cash, trading and investment securities	\$ 5,145	\$ 5,116	\$ 5,171	\$ 5,136	\$ 5,033	\$ 29	\$ 112
Premiums receivable and other insurance assets	2,263	2,213	2,064	2,069	2,041	50	222
Other assets	226	228	229	227	234	(2)	(8)
Total assets	\$ 7,634	\$ 7,557	\$ 7,464	\$ 7,432	\$ 7,308	\$ 77	\$ 326
Key Statistics							
Total written premiums and revenue ⁽³⁾	\$ 278	\$ 275	\$ 265	\$ 272	\$ 220	\$ 3	\$ 58
Loss ratio ⁽⁴⁾	41.9%	24.3%	21.3%	25.7%	54.6%		
Underwriting expense ratio ⁽⁵⁾	69.4%	64.5%	62.2%	60.3%	67.5%		
Combined ratio	111.2%	88.8%	83.5%	86.0%	122.1%		

(1) Represents a non-GAAP financial measure. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(2) Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(3) Written premiums are net of ceded premium for the reinsurance policy.

(4) Loss Ratio is calculated as Insurance losses and loss adjustment expenses divided by Insurance premiums and service revenue earned and Other Income, net of losses.

(5) Underwriting Expense Ratio is calculated as Compensation and benefits expense and Other operating expenses divided by Insurance premiums and service revenue earned and Other Income, net of losses.

ALLY FINANCIAL INC.
MORTGAGE FINANCE - CONDENSED FINANCIAL STATEMENTS



(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Income Statement							
Net financing revenue							
Total financing revenue and other interest income	\$ 114	\$ 105	\$ 87	\$ 78	\$ 72	\$ 9	\$ 42
Interest expense	70	62	53	46	40	8	30
Net financing revenue	44	43	34	32	32	1	12
Gain on mortgage loans, net	1	1	1	1	1	-	-
Other income, net of losses	1	-	-	1	-	1	1
Total other revenue	2	1	1	2	1	1	1
Total net revenue	46	44	35	34	33	2	13
Provision for loan losses	-	2	2	4	1	(2)	(1)
Noninterest expense							
Compensation and benefits expense	8	8	7	6	5	-	3
Other operating expense	24	26	24	22	20	(2)	4
Total noninterest expense	32	34	31	28	25	(2)	7
Income before income tax expense	\$ 14	\$ 8	\$ 2	\$ 2	\$ 7	\$ 6	\$ 7
Balance Sheet (Period-End)							
Finance receivables and loans, net:							
Consumer loans	\$ 13,328	\$ 12,733	\$ 11,657	\$ 9,760	\$ 8,866	\$ 595	\$ 4,462
Allowance for loan losses	(18)	(20)	(19)	(16)	(12)	2	(6)
Total finance receivables and loans, net	13,310	12,713	11,638	9,744	8,854	597	4,456
Other assets	75	67	70	60	48	8	27
Total assets	\$ 13,385	\$ 12,780	\$ 11,708	\$ 9,804	\$ 8,902	\$ 605	\$ 4,483

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Income Statement							
Net financing revenue							
Total financing revenue and other interest income	\$ 89	\$ 74	\$ 70	\$ 62	\$ 70	\$ 15	\$ 19
Interest expense	32	28	24	23	22	4	10
Net financing revenue	57	46	46	39	48	11	9
Total other revenue (adjusted) ⁽¹⁾	14	13	12	5	10	1	4
Total net revenue	71	59	58	44	58	12	13
Provision for loan losses	(6)	-	7	3	6	(6)	(12)
Noninterest expense							
Compensation and benefits expense	12	15	11	12	10	(3)	2
Other operating expense	7	10	8	7	7	(3)	-
Total noninterest expense	19	25	19	19	17	(6)	2
Core pre-tax income ⁽¹⁾	58	34	32	22	35	24	23
Change in the fair value of equity securities ⁽²⁾	0	(5)	-	-	-	5	0
Income before income tax expense	\$ 58	\$ 29	\$ 32	\$ 22	\$ 35	\$ 29	\$ 23
Balance Sheet (Period-End)							
Cash, trading and investment securities	\$ 12	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ 12
Loans held for sale	275	101	77	9	14	174	261
Commercial loans ⁽³⁾	4,184	4,278	3,910	3,703	3,553	(94)	631
Allowance for loan losses	(68)	(69)	(68)	(69)	(75)	1	7
Total finance receivables and loans, net	4,116	4,209	3,842	3,634	3,478	(93)	638
Other assets	55	53	60	56	60	2	(5)
Total assets	\$ 4,458	\$ 4,375	\$ 3,979	\$ 3,699	\$ 3,552	\$ 83	\$ 906

⁽¹⁾ Represents a non-GAAP financial measure. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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. See page 21 for more details.

⁽²⁾ Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

⁽³⁾ Includes intercompany loan activity

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Income Statement							
Net financing revenue							
Total financing revenue and other interest income	\$ 196	\$ 171	\$ 163	\$ 156	\$ 143	\$ 25	\$ 53
Interest expense							
Core original issue discount amortization	21	20	19	18	17	1	4
Other interest expense	120	112	84	93	85	8	35
Total interest expense	141	132	103	111	102	9	39
Net financing revenue (deficit)	55	39	60	45	41	16	14
Other revenue							
(Loss) on extinguishment of debt	-	-	(1)	(4)	(1)	-	1
Other gain on investments, net	1	6	6	4	8	(5)	(7)
Other income, net of losses ⁽¹⁾	18	27	18	20	18	(9)	-
Total other revenue	19	33	23	20	25	(14)	(6)
Total net revenue (deficit)	74	72	83	65	66	2	8
Provision for loan losses	(6)	-	(3)	(5)	(4)	(6)	(2)
Noninterest expense							
Compensation and benefits expense	124	131	112	105	107	(7)	17
Other operating expense ⁽²⁾	(40)	(55)	(37)	(37)	(45)	15	5
Total noninterest expense	84	76	75	68	62	8	22
(Loss) / income from cont. ops before income tax expense	\$ (4)	\$ (4)	\$ 11	\$ 2	\$ 8	\$ -	\$ (12)
Balance Sheet (Period-End)							
Cash, trading and investment securities	\$ 24,650	\$ 23,943	\$ 23,778	\$ 24,203	\$ 22,274	\$ 707	\$ 2,376
Loans held-for-sale	40	18	18	-	-	22	40
Consumer loans	1,764	1,920	2,111	2,279	2,456	(156)	(692)
Commercial loans ⁽³⁾	111	113	104	71	67	(2)	44
Allowance for loan losses	(50)	(55)	(60)	(67)	(72)	5	22
Total finance receivables and loans, net	1,825	1,978	2,155	2,283	2,451	(153)	(626)
Other assets	4,438	4,436	3,957	4,451	4,411	2	27
Total assets	\$ 30,953	\$ 30,375	\$ 29,908	\$ 30,937	\$ 29,136	\$ 578	\$ 1,817
Core OID Amortization Schedule ⁽⁴⁾							
	2018	2019	2020	2021	2022 & After		
Remaining Core OID amortization expense	\$ 45	\$ 27	\$ 31	\$ 36	Avg = \$53/yr		

(1) Includes gain/(loss) on mortgage and automotive loans.

(2) Other operating expenses includes corporate overhead allocated to the other business segments. Amounts of corporate overhead allocated were \$206 million for 2Q18, \$220 million for 1Q18, \$199 million for 4Q17, \$194 million for 3Q17, and \$200 million for 2Q17. The receiving business segment records the allocation of corporate overhead expense within other operating expenses.

(3) Includes intercompany.

(4) Represents a non-GAAP financial measure. For more details refer to page 21.

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Asset Quality - Consolidated ⁽¹⁾							
Ending loan balance	\$ 125,544	\$ 125,327	\$ 122,893	\$ 118,871	\$ 120,528	\$ 218	\$ 5,016
30+ Accruing DPD	\$ 2,046	\$ 1,951	\$ 2,451	\$ 2,167	\$ 1,879	\$ 95	\$ 166
30+ Accruing DPD %	1.63%	1.56%	1.99%	1.82%	1.56%		
Non-performing loans (NPLs)	\$ 905	\$ 863	\$ 792	\$ 807	\$ 783	\$ 42	\$ 122
Net charge-offs (NCOs)	\$ 180	\$ 259	\$ 305	\$ 253	\$ 199	\$ (80)	\$ (19)
Net charge-off rate ⁽²⁾	0.57%	0.84%	1.01%	0.85%	0.66%		
Provision for loan losses	\$ 158	\$ 261	\$ 294	\$ 314	\$ 269	\$ (103)	\$ (111)
Allowance for loan losses (ALLL)	\$ 1,257	\$ 1,278	\$ 1,276	\$ 1,286	\$ 1,225	\$ (20)	\$ 33
ALLL as % of Loans ^{(3) (4)}	1.0%	1.0%	1.0%	1.1%	1.0%		
ALLL as % of NPLs ⁽³⁾	139%	148%	161%	159%	156%		
ALLL as % of NCOs ⁽³⁾	175%	123%	105%	127%	154%		
US Auto Delinquencies - HFI Retail Contract \$'s ⁽⁵⁾							
Delinquent contract \$	\$ 1,960	\$ 1,812	\$ 2,337	\$ 2,043	\$ 1,811	\$ 148	\$ 149
% of retail contract \$ outstanding	2.78%	2.61%	3.43%	3.05%	2.71%		
U.S. Auto Annualized Net Charge-Offs - HFI Retail Contract \$'s							
Net charge-offs	\$ 182	\$ 253	\$ 294	\$ 242	\$ 199	\$ (71)	\$ (16)
% of avg. HFI assets ⁽²⁾	1.04%	1.47%	1.74%	1.45%	1.20%		
U.S. Auto Annualized Net Charge-Offs - HFI Commercial Contract \$'s							
Net charge-offs	\$ 2	\$ (0)	\$ 1	\$ 1	\$ 0	\$ 2	\$ 2
% of avg. HFI assets ⁽²⁾	0.02%	0.00%	0.01%	0.01%	0.00%		

(1) Loans within this table are classified as held-for-investment recorded at amortized cost as these loans are included in our allowance for loan losses.

(2) 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, conditional repurchase loans and loans held-for-sale during the year for each loan category.

(3) ALLL coverage ratios are based on the allowance for loan losses related to loans held-for-investment excluding those loans held at fair value as a percentage of the unpaid principal balance, net of premiums and discounts.

(4) Excludes (\$40) million of fair value adjustment for loans in hedge accounting relationships in 2Q18, (\$31) million in 1Q18, \$18 million in 4Q17, \$24 million in 3Q17, and \$28 million in 2Q17.

(5) Dollar amount of accruing contracts greater than 30 days past due.

ALLY FINANCIAL INC.
CREDIT RELATED INFORMATION, CONTINUED



(\$ in millions)

CONTINUING OPERATIONS

Automotive Finance ⁽¹⁾

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Consumer							
Allowance for loan losses	\$ 1,053	\$ 1,066	\$ 1,066	\$ 1,074	\$ 1,002	\$ (14)	\$ 51
Total consumer loans ⁽²⁾	\$ 70,473	\$ 69,318	\$ 68,071	\$ 67,077	\$ 66,774	\$ 1,155	\$ 3,698
Coverage ratio ⁽³⁾	1.5%	1.5%	1.6%	1.6%	1.5%		
Commercial							
Allowance for loan losses	\$ 68	\$ 68	\$ 63	\$ 60	\$ 64	\$ 1	\$ 4
Total commercial loans	\$ 35,645	\$ 36,935	\$ 37,058	\$ 36,005	\$ 38,840	\$ (1,290)	\$ (3,195)
Coverage ratio	0.2%	0.2%	0.2%	0.2%	0.2%		

Mortgage ⁽¹⁾

Consumer

Mortgage Finance

Allowance for loan losses	\$ 18	\$ 20	\$ 19	\$ 16	\$ 12	\$ (2)	\$ 6
Total consumer loans	\$ 13,328	\$ 12,733	\$ 11,657	\$ 9,760	\$ 8,866	\$ 596	\$ 4,463
Coverage ratio	0.1%	0.2%	0.2%	0.2%	0.1%		

Mortgage - Legacy

Allowance for loan losses	\$ 48	\$ 54	\$ 60	\$ 65	\$ 71	\$ (6)	\$ (22)
Total consumer loans	\$ 1,803	\$ 1,950	\$ 2,093	\$ 2,255	\$ 2,428	\$ (147)	\$ (625)
Coverage ratio	2.7%	2.8%	2.9%	2.9%	2.9%		

Total Mortgage

Allowance for loan losses	\$ 66	\$ 74	\$ 79	\$ 81	\$ 83	\$ (7)	\$ (16)
Total consumer loans	\$ 15,131	\$ 14,683	\$ 13,750	\$ 12,015	\$ 11,294	\$ 449	\$ 3,838
Coverage ratio	0.4%	0.5%	0.6%	0.7%	0.7%		

Corporate Finance ⁽¹⁾

Allowance for loan losses	\$ 68	\$ 69	\$ 68	\$ 69	\$ 75	\$ (1)	\$ (7)
Total commercial loans	\$ 4,184	\$ 4,278	\$ 3,910	\$ 3,703	\$ 3,553	\$ (94)	\$ 631
Coverage ratio	1.6%	1.6%	1.7%	1.9%	2.1%		

Corporate and Other ⁽¹⁾

Allowance for loan losses	\$ 2	\$ 1	\$ 0	\$ 2	\$ 1	\$ 0	\$ 1
Total commercial loans	\$ 111	\$ 113	\$ 104	\$ 71	\$ 67	\$ (2)	\$ 45
Coverage ratio	1.6%	1.3%	0.4%	2.2%	1.3%		

(1) ALLL coverage ratios are based on the domestic allowance as a percentage of finance receivables and loans reported at their gross carrying value, which includes the principal amount outstanding, net of unearned income, unamortized deferred fees reduced by costs on originated loans, unamortized premiums and discounts on purchased loans, unamortized basis adjustments arising from the designation of finance receivables and loans as the hedged item in qualifying fair value hedge relationships, and cumulative principal charge-offs. Excludes loans held at fair value.

(2) Includes (\$40) million of fair value adjustment for loans in hedge accounting relationships in 2Q18, (\$31) million in 1Q18, \$18 million in 4Q17, \$24 million in 3Q17, and \$28 million in 2Q17.

(3) Excludes (\$40) million of fair value adjustment for loans in hedge accounting relationships in 2Q18, (\$31) million in 1Q18, \$18 million in 4Q17, \$24 million in 3Q17, and \$28 million in 2Q17.

(\$ in billions)

	QUARTERLY TRENDS					CHANGE VS.	
	Basel III Transition					1Q 18	2Q 17
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17		
Capital ⁽¹⁾							
Risk-weighted assets	\$ 141.6	\$ 141.2	\$ 138.9	\$ 135.6	\$ 137.9	\$ 0.4	\$ 3.7
Common Equity Tier 1 (CET1) capital ratio ⁽²⁾	9.4%	9.3%	9.5%	9.7%	9.5%		
Tier 1 capital ratio	11.1%	11.0%	11.2%	11.5%	11.2%		
Total capital ratio	12.7%	12.6%	12.9%	13.2%	12.8%		
Tangible common equity / Tangible assets ⁽³⁾⁽⁴⁾	7.5%	7.5%	7.9%	8.1%	8.0%		
Tangible common equity / Risk-weighted assets ⁽³⁾	9.1%	9.1%	9.5%	9.8%	9.6%		
Shareholders' equity	\$ 13.1	\$ 13.1	\$ 13.5	\$ 13.6	\$ 13.5	\$ -	\$ (0.4)
less: Disallowed DTA	(0.3)	(0.3)	(0.2)	(0.3)	(0.4)	-	0.1
Certain AOCI items and other adjustments	0.4	0.3	-	(0.1)	-	0.1	0.4
Common Equity Tier 1 capital ⁽²⁾	\$ 13.3	\$ 13.1	\$ 13.2	\$ 13.2	\$ 13.1	\$ 0.2	\$ 0.2
Common Equity Tier 1 capital	\$ 13.3	\$ 13.1	\$ 13.2	\$ 13.2	\$ 13.1	\$ 0.2	\$ 0.2
add: Trust preferred securities	2.5	2.5	2.5	2.5	2.5	-	-
less: Other adjustments	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-	-
Tier 1 capital	\$ 15.7	\$ 15.5	\$ 15.6	\$ 15.5	\$ 15.4	\$ 0.2	\$ 0.3
Tier 1 capital	\$ 15.7	\$ 15.5	\$ 15.6	\$ 15.5	\$ 15.4	\$ 0.2	\$ 0.3
add: Qualifying subordinated debt and redeemable preferred stock	1.0	1.0	1.1	1.1	1.1	-	(0.1)
Allowance for loan and lease losses includible in Tier 2 capital and other adjustments	1.2	1.2	1.2	1.2	1.2	-	-
Total capital	\$ 17.9	\$ 17.8	\$ 18.0	\$ 17.9	\$ 17.7	\$ 0.1	\$ 0.2
Total shareholders' equity	\$ 13.1	\$ 13.1	\$ 13.5	\$ 13.6	\$ 13.5	\$ -	\$ (0.4)
Goodwill and intangible assets, net of deferred tax liabilities	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	0.0	-
Tangible common equity ⁽³⁾	\$ 12.8	\$ 12.8	\$ 13.2	\$ 13.3	\$ 13.2	\$ -	\$ (0.4)
Total assets	\$ 171.3	\$ 170.0	\$ 167.1	\$ 164.0	\$ 164.3	\$ 1.3	\$ 7.0
less: Goodwill and intangible assets, net of deferred tax liabilities	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	0.0	-
Tangible assets ⁽⁴⁾	\$ 171.1	\$ 169.7	\$ 166.9	\$ 163.7	\$ 164.1	\$ 1.4	\$ 7.0
Regulatory Capital - Basel III transition to fully phased-in							
Numerator							
Common equity tier 1 capital (transition)	\$ 13.3	\$ 13.1	\$ 13.2	\$ 13.2	\$ 13.1		
DTAs arising from NOL and tax credit carryforwards phased-in during transition	-	-	(0.1)	(0.1)	(0.1)		
Intangibles phased-in during transition	-	-	(0.0)	(0.0)	(0.0)		
Common equity tier 1 capital (fully phased-in)	\$ 13.3	\$ 13.1	\$ 13.2	\$ 13.1	\$ 13.0		
Denominator							
Risk-weighted assets (transition)	\$ 141.6	\$ 141.2	\$ 138.9	\$ 135.6	\$ 137.9		
DTAs arising from temporary differences that could not be realized through NOL, net of VA and net of DTLs phased-in during transition	0.3	0.3	0.3	0.4	0.4		
Intangibles phased in during transition	-	-	(0.0)	(0.0)	(0.0)		
Risk-weighted assets (fully phased-in)	\$ 141.9	\$ 141.6	\$ 139.2	\$ 136.0	\$ 138.4		
Metric							
Common equity tier 1 (transition)	9.4%	9.3%	9.5%	9.7%	9.5%		
Common equity tier 1 (fully phased-in) ⁽²⁾	9.3%	9.2%	9.5%	9.6%	9.4%		

Note: Numbers may not foot due to rounding

(1) 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

(2) Common Equity Tier 1 ("CET1") capital fully phased-in: Under the Basel III regulatory framework as adopted in the United States, banking organizations like the company are required to comply with a minimum ratio of common equity tier 1 capital to risk-weighted assets (CET1 Capital Ratio). Common equity tier 1 capital generally consists of common stock (plus any related surplus and net of any treasury stock), retained earnings, accumulated other comprehensive income, and minority interests in the common equity of consolidated subsidiaries, subject to specified conditions and adjustments. The obligation to comply with the minimum CET1 Capital Ratio is subject to ongoing transition periods and other provisions under Basel III. Management believes that both the transitional CET1 Capital Ratio and the fully phased-in CET1 Capital Ratio are helpful to readers in evaluating the company's capital utilization and adequacy in absolute terms and relative to its peers. The fully phased-in CET1 Capital Ratio is a non-GAAP financial measure that is reconciled to the transitional CET1 Capital Ratio above.

(3) Represents a non-GAAP financial measure. 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 tax-effected Core OID balance and net deferred tax asset.

(4) Represents a non-GAAP financial measure. Ally defines tangible assets as total assets less goodwill and intangible assets, net of deferred tax liabilities.

ALLY FINANCIAL INC.
LIQUIDITY



(\$ in billions)

	6/31/2018		3/31/2018		6/31/2017	
	Parent ⁽¹⁾	Ally Bank	Parent ⁽¹⁾	Ally Bank	Parent ⁽¹⁾	Ally Bank
Available Liquidity						
Cash and cash equivalents ⁽²⁾	\$ 1.4	\$ 2.0	\$ 1.1	\$ 2.2	\$ 1.7	\$ 2.2
Highly liquid securities ⁽³⁾	1.5	11.9	2.0	9.5	1.6	12.9
Current committed unused capacity	2.9	-	3.0	-	2.3	0.3
Subtotal	\$ 5.8	\$ 13.9	\$ 6.1	\$ 11.6	\$ 5.6	\$ 15.4
Ally Bank intercompany loan ⁽⁴⁾	-	-	-	-	0.3	(0.3)
Total current available liquidity	\$ 5.8	\$ 13.9	\$ 6.1	\$ 11.6	\$ 5.9	\$ 15.1
Unsecured Long-Term Debt Maturity Profile						
Consolidated remaining maturities ⁽⁵⁾	2018	2019	2020	2021	2022	2023 & after
	\$ 2.0	\$ 1.7	\$ 2.3	\$ 0.6	\$ 1.1	\$ 7.4

(1) Parent company liquidity is defined as our consolidated operations less Ally Bank and the regulated subsidiaries of Ally Insurance's holding company

(2) May include the restricted cash accumulation for retained notes maturing within the following 30 days and returned to Ally on the distribution date

(3) Includes unencumbered UST, Agency debt and Agency MBS

(4) To optimize use of cash and secured facility capacity between entities, Ally Financial lends cash to Ally Bank from time to time under an intercompany loan agreement. Amounts outstanding on this loan are repayable to Ally Financial at any time, subject to 5 days notice

(5) Excludes Core OID balance. For more details refer to page 21.

(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Average Balance Details							
Retail Auto Loans	\$ 69,941	\$ 68,727	\$ 67,501	\$ 66,909	\$ 65,995	\$ 1,214	\$ 3,946
Auto Lease (net of dep)	8,583	8,629	8,831	9,320	10,109	(46)	(1,526)
Commercial Auto	35,470	35,463	35,926	36,998	38,634	7	(3,164)
Corporate Finance	4,232	4,121	3,936	3,558	3,562	111	670
Mortgage	14,767	14,119	12,445	11,521	10,980	648	3,787
Cash, Securities and Other	30,499	29,948	29,159	28,330	25,798	551	4,701
Total Earning Assets	\$ 163,492	\$ 161,007	\$ 157,798	\$ 156,636	\$ 155,078	\$ 2,485	\$ 8,414
Interest Revenue	1,967	1,843	1,834	1,816	1,767	124	200
Unsecured Debt (ex. Core OID balance) ⁽¹⁾⁽⁴⁾	\$ 15,728	\$ 16,478	\$ 17,881	\$ 19,543	\$ 20,040	\$ (750)	\$ (4,312)
Secured Debt	17,567	18,822	18,963	23,060	26,778	(1,255)	(9,211)
Deposits ⁽²⁾	97,477	95,413	91,448	88,221	84,887	2,064	12,590
Other Borrowings ⁽³⁾	22,422	19,745	18,859	15,705	14,153	2,677	8,269
Total Funding Sources (ex. Core OID balance) ⁽¹⁾	\$ 153,194	\$ 150,458	\$ 147,151	\$ 146,529	\$ 145,858	\$ 2,736	\$ 7,336
Interest Expense (ex. Core OID) ⁽¹⁾	852	774	721	717	683	78	169
Net Financing Revenue (ex. Core OID) ⁽¹⁾	\$ 1,115	\$ 1,069	\$ 1,113	\$ 1,099	\$ 1,084	\$ 46	\$ 31
Net Interest Margin (yield details)							
Retail Auto Loan	6.08%	5.90%	5.90%	5.82%	5.80%	0.18%	0.28%
Auto Lease (net of dep)	5.09%	5.12%	6.29%	6.90%	6.63%	(0.03%)	-1.54%
Commercial Auto	4.20%	3.91%	3.70%	3.66%	3.37%	0.29%	0.83%
Corporate Finance	7.96%	7.28%	7.06%	6.91%	7.99%	0.68%	-0.03%
Mortgage	3.59%	3.62%	3.44%	3.44%	3.47%	-0.03%	0.12%
Cash, Securities and Other	2.77%	2.60%	2.41%	2.37%	2.39%	0.17%	0.38%
Total Earning Assets	4.83%	4.64%	4.61%	4.60%	4.57%	0.19%	0.26%
Unsecured Debt (ex. Core OID & Core OID balance) ⁽¹⁾⁽⁴⁾	5.76%	5.59%	5.15%	5.10%	5.06%	0.17%	0.70%
Secured Debt	2.69%	2.41%	2.22%	2.15%	2.02%	0.28%	0.67%
Deposits ⁽²⁾	1.64%	1.49%	1.35%	1.28%	1.18%	0.15%	0.46%
Other Borrowings ⁽³⁾	1.95%	1.73%	1.51%	1.41%	1.28%	0.22%	0.67%
Total Funding Sources (ex. Core OID & Core OID balance) ⁽¹⁾	2.23%	2.09%	1.94%	1.94%	1.88%	0.14%	0.35%
NIM (as reported)	2.68%	2.64%	2.75%	2.74%	2.76%	0.04%	-0.08%
NIM (ex. Core OID & Core OID balance) ⁽¹⁾	2.74%	2.69%	2.80%	2.78%	2.80%	0.05%	-0.06%
Key Deposit Statistics							
Average retail CD maturity (months)	22.2	22.9	24.9	26.9	29.2	(0.7)	(7.0)
Average retail deposit rate	1.58%	1.45%	1.30%	1.23%	1.12%		
Ally Financial Deposits Levels							
Ally Bank retail	\$ 81,737	\$ 81,657	\$ 77,925	\$ 74,928	\$ 71,094	\$ 80	\$ 10,643
Ally Bank brokered	16,839	15,661	15,211	15,044	14,937	1,178	1,902
Other	158	128	120	143	152	30	6
Total deposits	\$ 98,734	\$ 97,446	\$ 93,256	\$ 90,116	\$ 86,183	\$ 1,288	\$ 12,551
Ally Bank Deposit Mix							
Retail CD	34.4%	35.5%	34.2%	30.9%	27.4%		
MMA/OSA/Checking	48.5%	48.4%	49.5%	52.4%	55.1%		
Brokered	17.1%	16.1%	16.3%	16.7%	17.5%		

(1) Represents a non-GAAP financial measure. Excludes Core OID from interest expense and Core OID balance from Unsecured Debt.

(2) Includes brokered deposits.

(3) Includes Demand Notes, FHLB Borrowings and Repurchase Agreements.

(4) Includes trust preferred securities.

(\$ in billions)

	HISTORICAL QUARTERLY TRENDS				
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17
<u>Mortgage Finance HFI Portfolio</u>					
<u>Loan Value</u>					
Gross carry value	\$ 13.3	\$ 12.7	\$ 11.7	\$ 9.8	\$ 8.9
Net carry value	\$ 13.3	\$ 12.7	\$ 11.6	\$ 9.7	\$ 8.9
<u>Estimated Pool Characteristics</u>					
% Second lien	0.0%	0.0%	0.0%	0.0%	0.0%
% Interest only	0.1%	0.1%	0.1%	0.2%	0.2%
% 30+ Day delinquent	0.5%	1.0%	0.6%	0.8%	0.5%
% Low/No documentation	0.0%	0.0%	0.0%	0.0%	0.0%
% Non-primary residence	4.1%	4.1%	4.0%	4.0%	3.9%
Refreshed FICO	772	770	772	772	773
Wtd. Avg. LTV/CLTV ⁽¹⁾	60.2%	60.4%	60.8%	61.2%	60.5%
<u>Corporate Other Legacy Mortgage HFI Portfolio</u>					
<u>Loan Value</u>					
Gross carry value	\$ 1.8	\$ 2.0	\$ 2.1	\$ 2.3	\$ 2.4
Net carry value	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.2	\$ 2.4
<u>Estimated Pool Characteristics</u>					
% Second lien	15.3%	15.7%	15.7%	16.5%	17.1%
% Interest only	0.3%	0.8%	0.8%	0.9%	2.4%
% 30+ Day delinquent	6.1%	5.8%	6.2%	5.3%	4.5%
% Low/No documentation	23.2%	22.9%	22.8%	22.7%	22.6%
% Non-primary residence	7.6%	7.5%	7.5%	7.5%	7.5%
Refreshed FICO	728	727	730	729	730
Wtd. Avg. LTV/CLTV ⁽¹⁾	69.5%	70.2%	71.5%	72.3%	73.1%

(1) Updated home values derived using a combination of appraisals, BPOs, AVMs and MSA level house price indices; calculation only includes first liens

ALLY FINANCIAL INC.
EARNINGS PER SHARE RELATED INFORMATION



(\$ in millions, shares in thousands)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Earnings Per Share Data							
GAAP net income attributable to common shareholders	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 99	\$ 97
Weighted-average common shares outstanding - basic ⁽¹⁾	430,628	436,213	442,108	449,169	457,891	(5,585)	(27,263)
Weighted-average common shares outstanding - diluted ⁽¹⁾	432,554	438,931	444,985	451,078	458,819	(6,377)	(26,265)
Issued shares outstanding (period-end)	425,752	432,691	437,054	443,796	452,292	(6,939)	(26,540)
Net income (loss) per share - basic ⁽¹⁾	\$ 0.81	\$ 0.57	\$ 0.41	\$ 0.63	\$ 0.55	\$ 0.24	\$ 0.26
Net income (loss) per share - diluted ⁽¹⁾	\$ 0.81	\$ 0.57	\$ 0.41	\$ 0.63	\$ 0.55	\$ 0.24	\$ 0.26
Adjusted Earnings per Share ("Adjusted EPS")							
<u>Numerator</u>							
GAAP net income attributable to common shareholders	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 99	\$ 97
(Loss) / income from discontinued operations, net of tax	(1)	2	(2)	(2)	2	(3)	(3)
Core OID	21	20	19	18	17	1	4
Change in the fair value of equity securities ⁽²⁾	(8)	40	-	-	-	(48)	(8)
Core OID & change in the fair value of equity securities tax (tax rate 21% starting 1Q18; 35% starting 1Q16; 34% prior) ⁽²⁾	(3)	(13)	(7)	(6)	(6)	10	3
Significant discrete tax items	-	-	119	-	-	-	-
Core net income attributable to common shareholders ⁽³⁾	\$ 358	\$ 300	\$ 310	\$ 292	\$ 265	\$ 59	\$ 93
<u>Denominator</u>							
Weighted-average common shares outstanding - diluted ⁽¹⁾	432,554	438,931	444,985	451,078	458,819	(6,377)	(26,265)
Adjusted EPS ⁽⁴⁾	\$ 0.83	\$ 0.68	\$ 0.70	\$ 0.65	\$ 0.58	\$ 0.15	\$ 0.25
Memo							
<u>Original Issue Discount Amortization Expense</u>							
Core original issue discount (Core OID) amortization expense ⁽⁵⁾	\$ 21	\$ 20	\$ 19	\$ 18	\$ 17	\$ 1	\$ 4
Other OID	4	4	5	5	5	(0)	(1)
GAAP original issue discount amortization expense	\$ 25	\$ 24	\$ 24	\$ 23	\$ 22	\$ 1	\$ 3
<u>Outstanding Original Issue Discount Balance</u>							
Core outstanding original issue discount balance (Core OID balance) ⁽⁶⁾	\$ (1,137)	\$ (1,158)	\$ (1,178)	\$ (1,197)	\$ (1,215)	\$ 21	\$ 78
Other outstanding OID balance	(49)	(53)	(57)	(62)	(67)	4	18
GAAP outstanding original issue discount balance	\$ (1,187)	\$ (1,211)	\$ (1,235)	\$ (1,259)	\$ (1,282)	\$ 25	\$ 95
<u>Adjusted Other Revenue</u>							
GAAP Other Revenue	\$ 364	\$ 354	\$ 379	\$ 381	\$ 388	\$ 10	\$ (24)
Change in the fair value of equity securities ⁽²⁾	(8)	40	-	-	-	(48)	(8)
Adjusted Other Revenue	\$ 356	\$ 394	\$ 379	\$ 381	\$ 388	\$ (38)	\$ (32)
<u>Net Financing Revenue (ex. Core OID)</u>							
GAAP net financing revenue	\$ 1,094	\$ 1,049	\$ 1,094	\$ 1,081	\$ 1,067	\$ 45	\$ 27
Core OID	21	20	19	18	17	1	4
Net Financing Revenue (ex. Core OID)	\$ 1,115	\$ 1,069	\$ 1,113	\$ 1,099	\$ 1,084	\$ 46	\$ 31

(1) Includes shares related to share-based compensation that vested but were not yet issued

(2) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(3) 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, certain discrete tax items and preferred stock capital actions and tax-effected changes in equity investments measured at fair value.

(4) 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, effective 1/1/2018, 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 that do not reflect the operating performance of the core businesses, and (4) excludes certain discrete tax items that do not relate to the operating performance of the core businesses.

(5) 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.

(6) 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.

ALLY FINANCIAL INC.
ADJUSTED TANGIBLE BOOK PER SHARE RELATED INFORMATION



(\$ in billions, shares in thousands)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Adjusted Tangible Book Value Per Share ("Adjusted TBVPS") Information							
<u>Numerator</u>							
GAAP Common shareholder's equity	\$ 13.1	\$ 13.1	\$ 13.5	\$ 13.6	\$ 13.5	\$ 0.1	\$ (0.3)
Goodwill and identifiable intangibles, net of DTLs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	0.0	(0.0)
Tangible common equity	12.8	12.8	13.2	13.3	13.2	0.1	(0.3)
Tax-effected Core OID balance (21% tax rate starting 4Q'17, 35% previously)	(0.9)	(0.9)	(0.9)	(0.8)	(0.8)	0.0	(0.1)
Adjusted tangible book value ⁽¹⁾	\$ 12.0	\$ 11.9	\$ 12.3	\$ 12.5	\$ 12.4	\$ 0.1	\$ (0.4)
<u>Denominator</u>							
Issued shares outstanding (period-end, thousands)	425,752	432,691	437,054	443,796	452,292	(6,939)	(26,540)
GAAP Common shareholder's equity per share	\$ 30.9	\$ 30.2	\$ 30.9	\$ 30.6	\$ 29.8	0.6	1.1
Goodwill and identifiable intangibles, net of DTLs per share	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.0)	(0.0)
Tangible common equity per share	30.2	29.6	30.2	29.9	29.2	0.6	1.0
Tax-effected Core OID (21% tax rate starting 4Q'17, 35% previously) per share	(2.1)	(2.1)	(2.1)	(1.8)	(1.7)	0.0	(0.4)
Adjusted tangible book value per share ⁽¹⁾	\$ 28.1	\$ 27.4	\$ 28.1	\$ 28.2	\$ 27.4	\$ 0.6	\$ 0.7

(1) 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.

(\$ in millions) unless noted otherwise

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Core Return on Tangible Common Equity ("Core ROTCE")							
Numerator							
GAAP net income attributable to common shareholders	\$ 349	\$ 250	\$ 181	\$ 282	\$ 252	\$ 99	\$ 97
Discontinued operations, net of tax	(1)	2	(2)	(2)	2	(3)	(3)
Core OID	21	20	19	18	17	1	4
Change in the fair value of equity securities ⁽¹⁾	(8)	40	-	-	-	(48)	(8)
Core OID & change in the fair value of equity securities tax (tax rate 21% starting 1Q18; 35% starting 1Q16; 34% prior) ⁽¹⁾	(3)	(13)	(7)	(6)	(6)	10	3
Significant Discrete tax items & other	-	-	119	-	-	-	-
Core net income attributable to common shareholders ⁽²⁾	\$ 358	\$ 300	\$ 310	\$ 292	\$ 265	\$ 59	\$ 93
Denominator (2-period average, \$ billions)							
GAAP shareholder's equity	\$ 13.1	\$ 13.3	\$ 13.5	\$ 13.5	\$ 13.4	\$ (0.2)	\$ (0.3)
Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	0.0	(0.0)
Tangible common equity	\$ 12.8	\$ 13.0	\$ 13.2	\$ 13.2	\$ 13.1	\$ (0.2)	\$ (0.3)
Core OID balance	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)	0.0	0.1
Net deferred tax asset ("DTA")	(0.5)	(0.5)	(0.6)	(0.7)	(0.9)	0.0	0.4
Normalized common equity ⁽³⁾	\$ 11.2	\$ 11.3	\$ 11.5	\$ 11.3	\$ 11.1	\$ (0.2)	\$ 0.1
Core Return on Tangible Common Equity ⁽⁴⁾	12.8%	10.6%	10.8%	10.3%	9.6%		

(1) Change in fair value of equity securities impacts the Insurance and Corporate Finance segments. Excludes equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, 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.

(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, certain discrete tax items and tax-effected changes in equity investments measured at fair value.

(3) Normalized common equity is a non-GAAP measure calculated using 2 period average

(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 any discrete tax items including tax reserve releases, which aligns with the methodology used in calculating adjusted earnings per share.

- 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, effective 1/1/2018, 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 certain discrete tax items.
- In the denominator, GAAP shareholder's equity is adjusted for preferred equity and goodwill and identifiable intangibles net of DTL, Core OID balance, and net DTA.

ALLY FINANCIAL INC.
ADJUSTED EFFICIENCY RATIO RELATED INFORMATION



(\$ in millions)

	QUARTERLY TRENDS					CHANGE VS.	
	2Q 18	1Q 18	4Q 17	3Q 17	2Q 17	1Q 18	2Q 17
Adjusted Efficiency Ratio Calculation							
Numerator							
GAAP noninterest expense	\$ 839	\$ 814	\$ 769	\$ 753	\$ 810	\$ 25	\$ 29
Rep and warrant expense	2	0	0	0	0	2	2
Insurance expense	(268)	(231)	(213)	(218)	(280)	(37)	12
Adjusted noninterest expense for the Adjusted Efficiency Ratio	\$ 573	\$ 583	\$ 556	\$ 535	\$ 530	\$ (10)	\$ 43
Denominator							
Total net revenue	\$ 1,458	\$ 1,403	\$ 1,473	\$ 1,462	\$ 1,455	\$ 55	\$ 3
Core OID	21	20	19	18	17	1	4
Insurance revenue	279	258	293	287	259	21	20
Adjusted net revenue for the Adjusted Efficiency Ratio	\$ 1,200	\$ 1,165	\$ 1,199	\$ 1,193	\$ 1,213	\$ 35	\$ (13)
Adjusted Efficiency Ratio ⁽¹⁾	47.7%	50.1%	46.4%	44.9%	43.7%		

(1) 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. In the numerator of Adjusted efficiency ratio, total noninterest expense is adjusted for Insurance segment expense and Rep and warrant expense. In the denominator, total net revenue is adjusted for Insurance segment revenue and Core OID. See page 11 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance business.