

# Ally Financial Inc.

## 3Q 2021 Earnings Review

October 21, 2021

A large, stylized purple graphic on the left side of the slide, resembling a thick letter 'A' or a partial circle. Inside the white space of the graphic, the Ally logo is displayed.

**ally**  
do it right.

# 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 future effects of COVID-19 and our ability to navigate them, the outlook for financial and operating metrics and performance, and 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, 2020, 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. The term “partnerships” means business arrangements rather than partnerships as defined by law.

# GAAP and Core Results: Quarterly

| (\$ millions except per share data)   | 3Q 21    | 2Q 21    | 1Q 21    | 4Q 20    | 3Q 20    |
|---|----------|----------|----------|----------|----------|
| GAAP net income attributable to common shareholders (NIAC)                  | \$ 683   | \$ 900   | \$ 796   | \$ 687   | \$ 476   |
| Core net income attributable to common shareholders <sup>(1)(2)</sup>       | \$ 782   | \$ 868   | \$ 790   | \$ 606   | \$ 473   |
| GAAP earnings per common share (EPS) (basic or diluted as applicable, NIAC) | \$ 1.89  | \$ 2.41  | \$ 2.11  | \$ 1.82  | \$ 1.26  |
| Adjusted EPS <sup>(1)(3)</sup>  | \$ 2.16  | \$ 2.33  | \$ 2.09  | \$ 1.60  | \$ 1.25  |
| Return on GAAP common shareholders' equity                                  | 18.1%    | 24.1%    | 21.7%    | 19.1%    | 13.6%    |
| Core ROTCE <sup>(1)(4)</sup>  | 24.2%    | 26.7%    | 24.1%    | 18.7%    | 15.2%    |
| GAAP common shareholders' equity per share                                  | \$ 42.81 | \$ 41.93 | \$ 39.34 | \$ 39.24 | \$ 37.78 |
| Adjusted tangible book value per share (Adjusted TBVPS) <sup>(1)(5)</sup>   | \$ 39.72 | \$ 38.83 | \$ 36.16 | \$ 36.05 | \$ 34.56 |
| Efficiency ratio  | 50.5%    | 51.6%    | 48.7%    | 51.6%    | 53.7%    |
| Adjusted efficiency ratio <sup>(1)(6)</sup>                                 | 41.7%    | 44.5%    | 44.4%    | 49.8%    | 47.3%    |
| GAAP total net revenue  | \$ 1,985 | \$ 2,085 | \$ 1,937 | \$ 1,981 | \$ 1,684 |
| Adjusted total net revenue <sup>(1)(7)</sup>                                | \$ 2,110 | \$ 2,145 | \$ 1,930 | \$ 1,879 | \$ 1,680 |
| Pre-provision net revenue <sup>(8)</sup>                                    | \$ 983   | \$ 1,010 | \$ 994   | \$ 958   | \$ 779   |
| Core pre-provision net revenue <sup>(1)(8)</sup>                            | \$ 1,108 | \$ 1,070 | \$ 987   | \$ 856   | \$ 775   |
| Effective tax rate  | 21.5%    | 13.7%    | 21.0%    | 19.7%    | 24.8%    |

(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 (loss), Core pre-provision net revenue (Core PPNR), Core net income (loss) 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, Adjusted noninterest expense, 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. See page 30 for definition and 34 for calculation methodology.

(3) Adjusted earnings per share (Adjusted EPS) is a non-GAAP financial measure. See page 34 for definition and calculation methodology.

(4) Core return on tangible common equity (Core ROTCE) is a non-GAAP financial measure. See page 36 for definition and calculation methodology.

(5) Adjusted tangible book value per share (Adjusted TBVPS) is a non-GAAP financial measure. See page 35 for definition and calculation methodology.

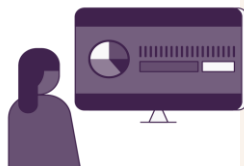
(6) Adjusted efficiency ratio is a non-GAAP financial measure. See page 38 for definition and calculation methodology.

(7) Adjusted total net revenue is a non-GAAP financial measure. See page 40 for calculation methodology.

(8) Pre-provision net revenue (PPNR) and Core pre-provision net revenue (Core PPNR) are non-GAAP financial measures. See page 40 for calculation methodology.

# Ally's Culture and Priorities

## do it right culture & values



### customers

Relentless focus on our dealers, consumers & commercial clients



### employees

Ongoing prioritization of our teammates and their well-being



### communities

Driving meaningful and lasting change through our actions and the Ally Charitable Foundation

**Driving long-term,  
enhanced value for  
ALL stakeholders**

# 3Q 2021 Highlights

## Focused Execution

**\$2.16**

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

**24.2%**

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

- Ally acquiring Fair Square Financial for \$750 million (all-cash)
- Scalable, customer-centric, digital-first credit card platform

## Delivering Results

**\$2.11B**

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

**11.2%**

CET1  
Capital Ratio

- Remain on track with FY 2021 buyback authorization of \$2.0B
- Announced 4Q 2021 dividend of \$0.25 per share

## Auto & Insurance: Leading, adaptable partner, driving attractive risk-adjusted returns



- 12<sup>th</sup> straight year of dealer network growth | Consumer volume of \$12.3B, highest 3Q in 15 years from record 3.3M apps
- 7.10% estimated retail auto originated yield<sup>(2)</sup> and 27bps retail auto net charge-offs, reflecting solid credit performance
- Insurance written premiums of \$295 million, durable investment income sourced from \$6.4B portfolio

## Ally Bank: Leading, growing, digital-bank focused on deepening customer relationships



- 50 consecutive quarters of customer growth | \$131.6B retail deposit balances, ↑9% YoY from existing and new customers
- Ally Home®: \$3.6B originations, ↑176% YoY, strong revenue-per-loan trends
- Ally Invest: \$16.3B net customer assets, ↑42% YoY, 503k active self-directed and managed accounts
- Ally Lending: \$362 million point-of-sale originations, ↑110% YoY, 2.8k merchants, ↑23% YoY
- Corporate Finance: \$6.6B loan portfolio, ↑12% YoY, strong syndication and origination volume trends

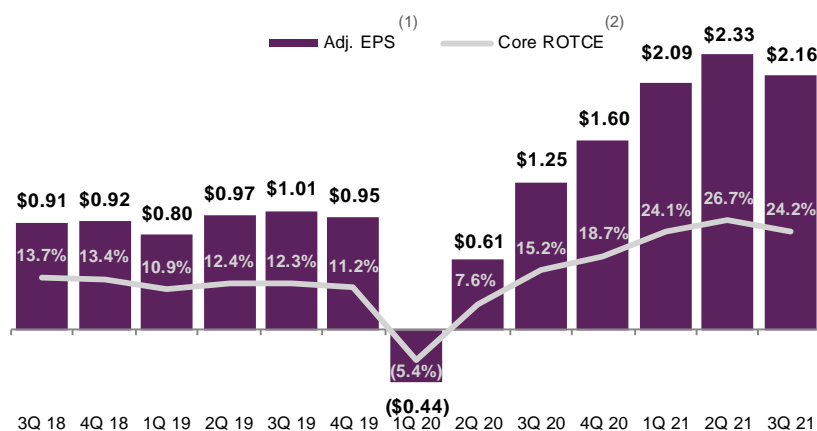
(1) Represents a non-GAAP financial measure. See pages 34, 36, and 40 for calculation methodology and details.

(2) Estimated Retail Auto Originated Yield is a forward-looking non-GAAP financial measure. See page 31 for details.

Note: Ally Bank, Member FDIC and Equal Housing Lender, offers mortgage lending, point-of-sale personal lending, and a variety of deposit and other banking products, including savings, money market, and checking accounts, CDs, and IRAs. Additionally, we offer securities-brokerage and investment-advisory services through Ally Invest.

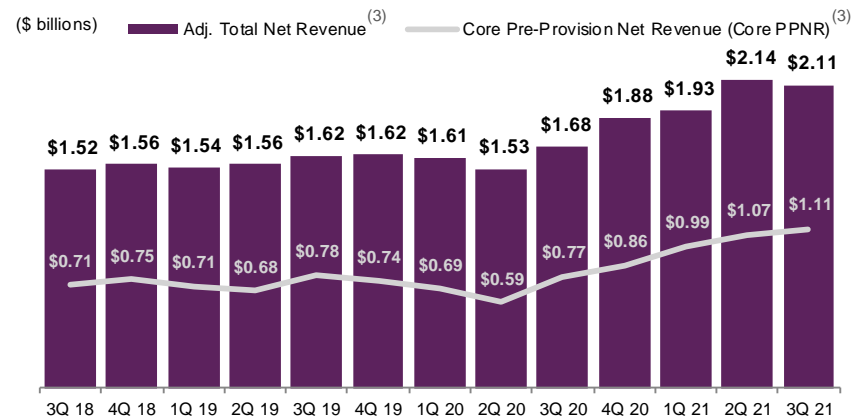
# Quarterly Core Metric Trends

## Adjusted Earnings Per Share & Core ROTCE



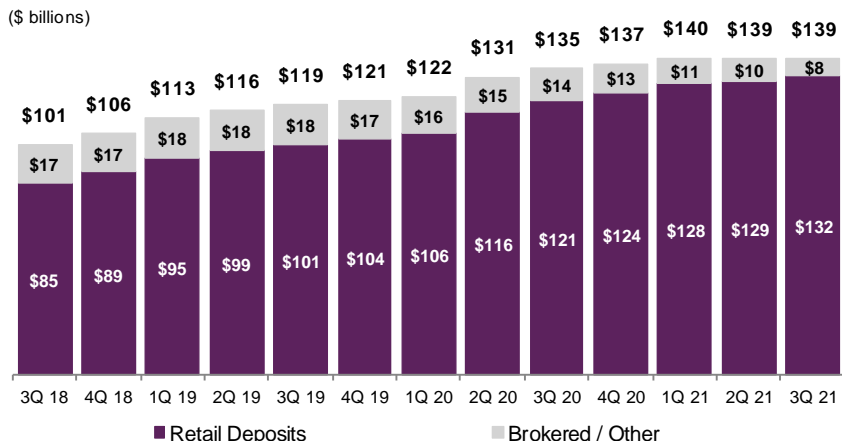
(1), (2) Represents a non-GAAP financial measure. See page 34 and 36 for calculation methodology and details.

## Adjusted Total Net Revenue & Core PPNR



(3) Represents a non-GAAP financial measure. See page 40 for calculation methodology and details.

## Total Deposits



Note: Other includes sweep deposits, mortgage escrow & other deposits. May not foot due to rounding.

## Adjusted Tangible Book Value per Share<sup>(4)</sup>

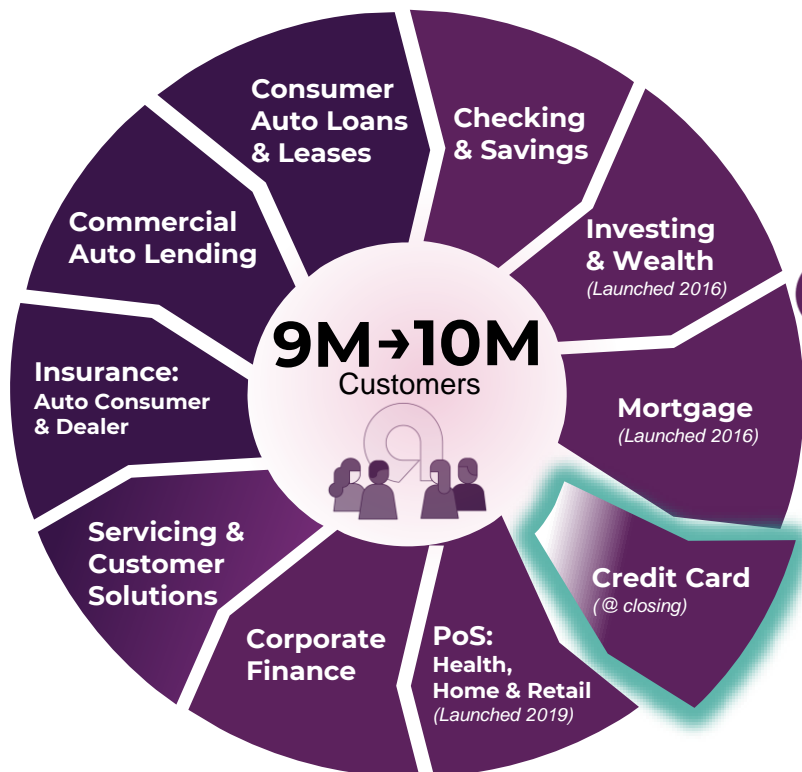


(4) Represents a non-GAAP financial measure. See page 35 for calculation methodology and details.

# Strategically and Financially Attractive Acquisition



- Ally's acquisition of Fair Square advances our evolution as the leading digital consumer bank
- Enhances frictionless, innovative product offerings available to our growing customer base



ally

FAIRSQUARE  
FINANCIAL

Powerful **ollo** branded offerings

## Synergistic

- Enhances relationship deepening & diversification
- Leverages Ally's brand, funding & customer platform
- Expands growth opportunities (~\$1T credit card market)

## Aligned

- Customer-centric culture
- Digital-first approach
- Tech-forward, data driven
- Disciplined risk philosophy
- Deep credit expertise
- Experienced leadership

## Accretive

- Scalable, nimble platform
- Organic asset & customer acquisition engine
- Enhances strong earnings & risk-adjusted return profile



- Highly aligned customer-centric and digital-first approach in core banking product
- Accretive to Ally's attractive and structurally enhanced long-term return profile

# FAIR SQUARE FINANCIAL Scalable, Digital-first Credit Card Provider

## 2016

FairSquare  
Founded

## 80

Current  
Employees

## 658k

Active  
Cardholders

## \$763M

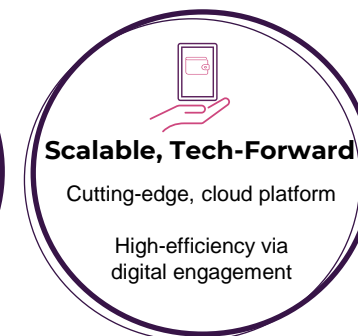
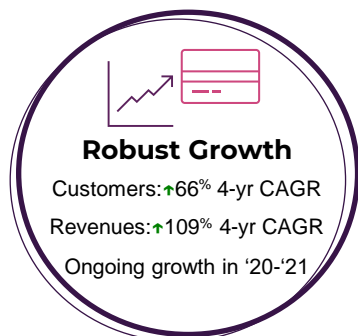
Loan  
Balances

## 74%

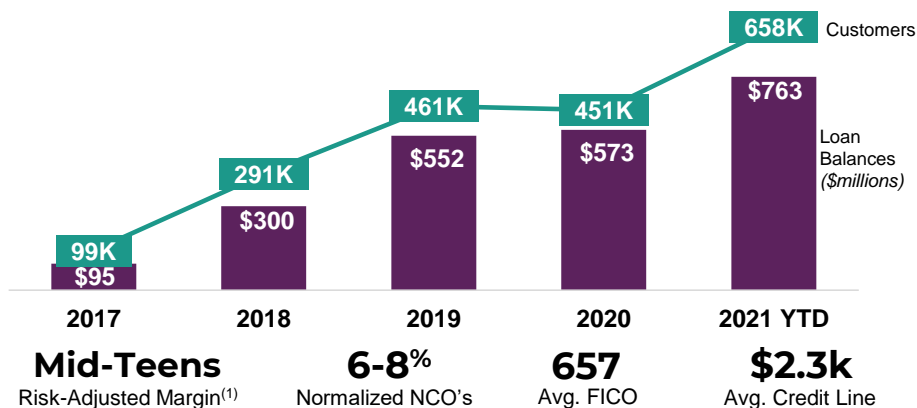
Loan Balance  
CAGR Since 2017

## 5%

Run-rate Return  
on Assets



## Consumer-oriented Products Outpacing Industry Trends



## Transaction Highlights

| Detail   | Value   |
|--|---|
| Purchase Price   | \$750 million (all-cash)  |
| Anticipated Closing  | By the end of 1Q'22   |
| IRR  | 25%+  |
| ~50-55bps CET1 consumed @ closing   \$2B buyback program unchanged |   |
| Outlook  | Value   |
| Earnings & EPS   | Accretive to FY 2023  |
| Core ROTCE   | 100-125bps Accretive (2022-2023)<br>>150bps Accretive (Medium Term) |
| Opportunities across broadened customer base                       | not included in model   |

**Growing digital first, customer-centric company | Attractive risk-adjusted return profile**

Note: Company, operational and financial information provided by Fair Square Financial and is unaudited. Headcount data as of August 31, 2021. Active cardholders, customers and loan balances as of September 30, 2021. 'Run-rate Return on Assets' & 'Core ROTCE' (for definition see page 36) represent non-GAAP measures, reflect tax-effected results, excluding deal-specific impacts including goodwill & intangibles amortization expense, integration & advisory fees.

(1) Risk adjusted margin is a non-GAAP measure defined as net interest income plus non-interest income less provision expense.



# 3Q 2021 Financial Results

| \$ millions; except per share data                                       |                |                 |                | Inc / (Dec) v.   |                |
|--|----------------|-----------------|----------------|------------------|----------------|
|  | 3Q 21          | 2Q 21           | 3Q 20          | 2Q 21            | 3Q 20          |
| Net financing revenue (ex. Core OID) <sup>(1)</sup>                      | \$ 1,603       | \$ 1,556        | \$ 1,209       | \$ 47            | \$ 394         |
| Core OID <sup>(1)</sup>  | (9)            | (9)             | (9)            | 0                | (0)            |
| Net financing revenue  | \$ 1,594       | \$ 1,547        | \$ 1,200       | \$ 47            | \$ 394         |
| Adjusted other revenue <sup>(1)</sup>                                    | 507            | 588             | 471            | (81)             | 37             |
| Repositioning & change in fair value of equity securities <sup>(2)</sup> | (116)          | (50)            | 13             | (66)             | (130)          |
| Other revenue  | 391            | 538             | 484            | (147)            | (93)           |
| Provision for credit losses  | 76             | (32)            | 147            | 108              | (71)           |
| Noninterest expense  | 1,002          | 1,075           | 905            | (73)             | 97             |
| <b>Pre-tax income</b>  | <b>\$ 907</b>  | <b>\$ 1,042</b> | <b>\$ 632</b>  | <b>\$ (135)</b>  | <b>\$ 275</b>  |
| Income tax expense   | 195            | 143             | 156            | 52               | 39             |
| Net income from discontinued operations                                  | -              | 1               | -              | (1)              | -              |
| <b>Net income</b>  | <b>\$ 712</b>  | <b>\$ 900</b>   | <b>\$ 476</b>  | <b>\$ (188)</b>  | <b>\$ 236</b>  |
| Preferred stock dividends  | 29             | -               | -              | 29               | 29             |
| <b>Net income attributable to common stockholders</b>                    | <b>\$ 683</b>  | <b>\$ 900</b>   | <b>\$ 476</b>  | <b>\$ (217)</b>  | <b>\$ 207</b>  |
| <b>GAAP EPS (diluted)</b>  | <b>\$ 1.89</b> | <b>\$ 2.41</b>  | <b>\$ 1.26</b> | <b>\$ (0.53)</b> | <b>\$ 0.62</b> |
| Core OID, net of tax   | 0.02           | 0.02            | 0.02           | 0.00             | 0.00           |
| Change in fair value of equity securities, net of tax                    | 0.14           | (0.04)          | (0.03)         | 0.18             | 0.17           |
| Repositioning, discontinued ops., and other, net of tax <sup>(3)</sup>   | 0.11           | 0.14            | -              | (0.03)           | 0.11           |
| Significant discrete tax items <sup>(4)</sup>                            | -              | (0.21)          | -              | 0.21             | -              |
| <b>Adjusted EPS <sup>(5)</sup></b>                                       | <b>\$ 2.16</b> | <b>\$ 2.33</b>  | <b>\$ 1.25</b> | <b>\$ (0.17)</b> | <b>\$ 0.91</b> |

Incl. \$52M charge  
on TRUP's debt  
extinguishment

(1) Represents a non-GAAP financial measure. For calculation methodology see page 40.

(2) See page 39 for details and calculation methodology.

(3) Represents a non-GAAP financial measure. For calculation methodology see pages 34 and 39.

(4) 2Q'21 effective tax rate included a \$78 million release of valuation allowance on foreign tax credit carryforwards.

(5) Represents a non-GAAP financial measure. For calculation methodology see page 34.

# Balance Sheet and Net Interest Margin

| (\$ millions)                                | 3Q 21             |              | 2Q 21             |              | 3Q 20             |              |
|--|-------------------|--------------|-------------------|--------------|-------------------|--------------|
|  | Average Balance   | Yield        | Average Balance   | Yield        | Average Balance   | Yield        |
| Retail Auto Loan                             | \$ 76,557         | 6.62%        | \$ 74,662         | 6.70%        | \$ 72,999         | 6.56%        |
| <i>Retail Auto Loan (ex. hedge impact)</i>   |                   | 6.84%        |                   | 6.92%        |                   | 6.83%        |
| Auto Lease (net of depreciation)             | 10,919            | 9.21%        | 10,355            | 11.67%       | 9,317             | 7.89%        |
| Commercial Auto                              | 13,887            | 3.54%        | 16,332            | 3.60%        | 21,265            | 3.30%        |
| Corporate Finance                            | 6,735             | 5.12%        | 6,383             | 5.37%        | 6,188             | 5.40%        |
| Mortgage <sup>(1)</sup>                      | 15,125            | 2.83%        | 13,179            | 2.80%        | 17,096            | 3.00%        |
| Consumer Other - Ally Lending <sup>(2)</sup> | 728               | 13.86%       | 537               | 14.44%       | 285               | 17.77%       |
| Cash and Cash Equivalents                    | 13,055            | 0.14%        | 16,564            | 0.10%        | 20,719            | 0.11%        |
| Investment Securities & Other                | 35,532            | 1.76%        | 36,784            | 1.63%        | 32,244            | 2.14%        |
| <b>Earning Assets</b>                        | <b>\$ 172,538</b> | <b>4.68%</b> | <b>\$ 174,796</b> | <b>4.69%</b> | <b>\$ 180,113</b> | <b>4.35%</b> |
| Deposits <sup>(3)</sup>                      | \$ 139,244        | 0.70%        | \$ 139,382        | 0.77%        | \$ 132,964        | 1.35%        |
| Unsecured Debt <sup>(4)(6)</sup>             | 9,787             | 5.19%        | 11,737            | 5.33%        | 12,315            | 5.74%        |
| Secured Debt                                 | 1,675             | 4.29%        | 2,618             | 4.44%        | 6,154             | 2.94%        |
| Other Borrowings <sup>(5)</sup>              | 4,929             | 3.42%        | 5,044             | 2.81%        | 14,427            | 2.36%        |
| <b>Funding Sources<sup>(3)</sup></b>         | <b>\$ 155,635</b> | <b>1.11%</b> | <b>\$ 158,781</b> | <b>1.23%</b> | <b>\$ 165,860</b> | <b>1.82%</b> |
| <b>NIM (ex. Core OID)<sup>(3)</sup></b>      | <b>3.68%</b>      |              | <b>3.57%</b>      |              | <b>2.67%</b>      |              |
| <b>NIM (as reported)</b>                     | <b>3.66%</b>      |              | <b>3.55%</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 and Other segment.

(2) Unsecured lending from point-of-sale financing.

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

(4) Represents a non-GAAP financial measure. Excludes Core OID and Core OID balance. See page 40 calculation methodology.

(5) Includes FHLB borrowings, Repurchase Agreements, Demand Notes (Ally's program was terminated & all outstanding demand notes redeemed. \$2.1B were outstanding as of 12/31/2020), and Other.

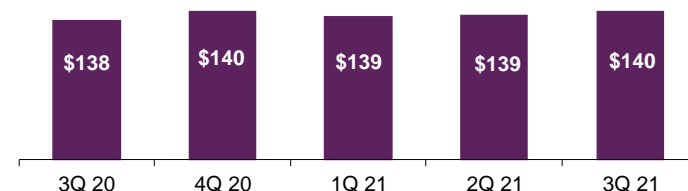
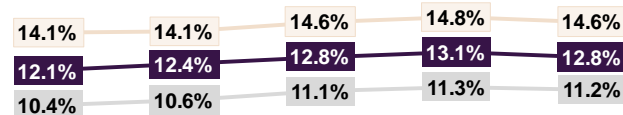
(6) Includes remaining trust preferred securities.

# Capital Ratios and Shareholder Distributions

- 3Q 2021 CET1 ratio of 11.2%
- Remain on track with 2021 full-year \$2B share repurchase program
  - Ally has repurchased <sup>(1)</sup> \$1.4B of common shares year-to-date
- Ally’s Board of Directors approved 4Q 2021 common dividend of \$0.25 per share
- Following Moody’s senior upgrade in the quarter, Ally now rated investment grade by all major rating agencies
- Announced redemption of remaining legacy TRUPs in 3Q
- Deploying ~25% of excess capital above internal target to fund strategic acquisition of Fair Square

## Capital Ratios and Risk-Weighted Assets

(\$ billions)

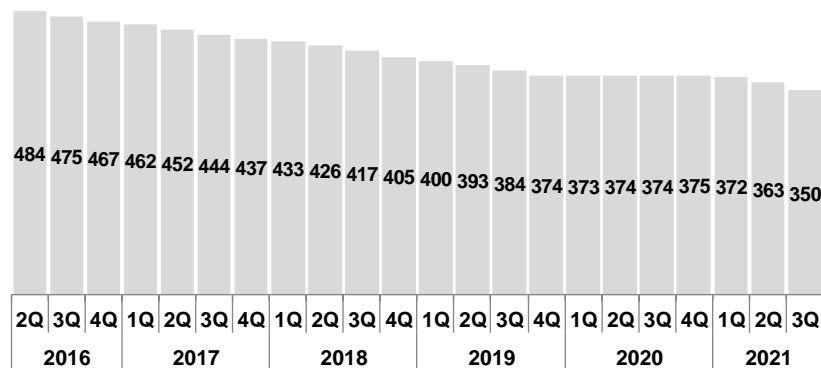


■ Risk-Weighted Assets (\$B) ■ Total Capital Ratio ■ Tier 1 Ratio ■ CET1 Ratio

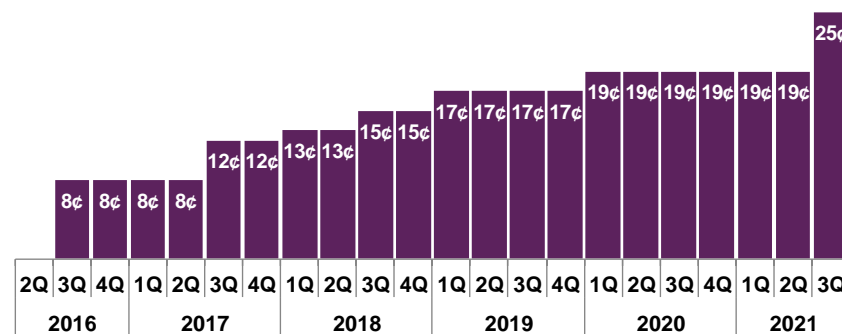
Note: For more details on the final rules to address the impact of CECL on regulatory capital by allowing BHC's and banks, including Ally, to delay and subsequently phase-in its impact, see page 31 for details.

## Capital Deployment Actions

### Outstanding Shares (# millions)



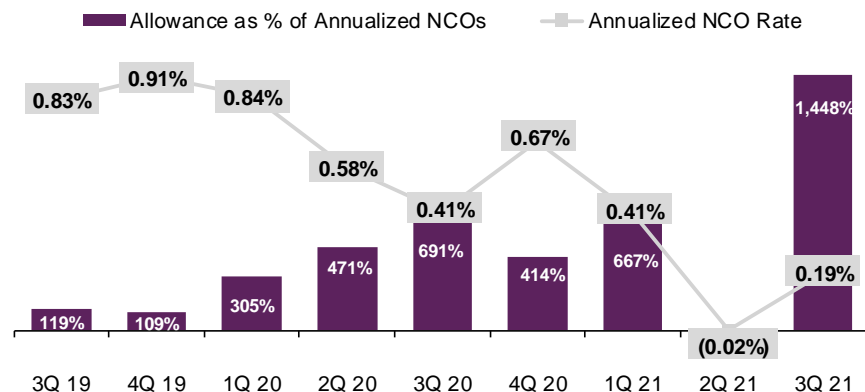
### Dividend Per Share



(1) Repurchased common shares include shares withheld to cover income taxes owed by participants related to share-based incentive plans. Excludes commissions.

# Asset Quality: Key Metrics

## Consolidated Net Charge-Offs (NCOs)



Ratios exclude loans measured at fair value and loans held-for-sale.

## Net Charge-Off Activity

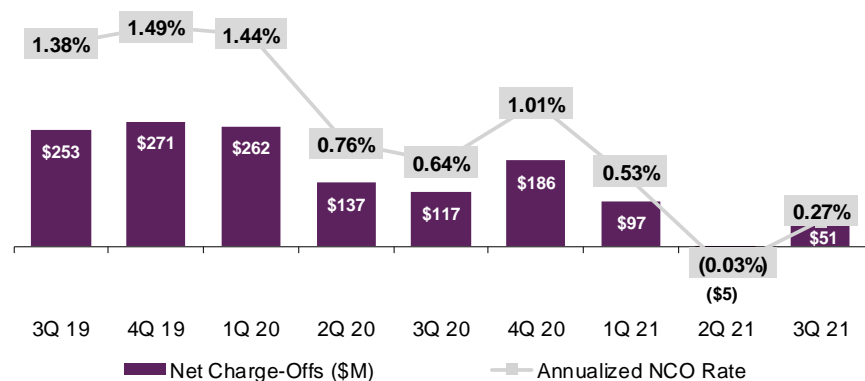
(\$ millions)

### Net Charge-Offs

|                           | 3Q 20         | 4Q 20         | 1Q 21         | 2Q 21         | 3Q 21        |
|---------------------------|---------------|---------------|---------------|---------------|--------------|
| Retail Auto               | \$ 117        | \$ 186        | \$ 97         | \$ (5)        | \$ 51        |
| Commercial Auto           | 4             | 7             | -             | -             | -            |
| Mortgage Finance          | 1             | 2             | 1             | 1             | -            |
| Corporate Finance         | -             | (1)           | 14            | (4)           | -            |
| Ally Lending              | 2             | 4             | 8             | 4             | 5            |
| Corp/Other <sup>(1)</sup> | (2)           | -             | (2)           | (2)           | (2)          |
| <b>Total</b>              | <b>\$ 122</b> | <b>\$ 198</b> | <b>\$ 118</b> | <b>\$ (6)</b> | <b>\$ 54</b> |

(1) Corp/Other includes legacy Mortgage HFI portfolio.

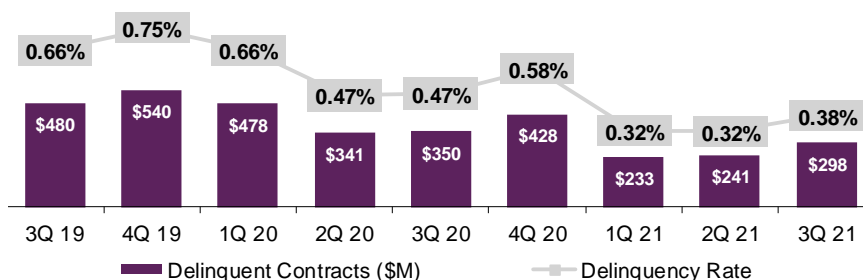
## Retail Auto Net Charge-Offs



Note: See page 31 for definition.

## Retail Auto Delinquencies

(60+ DPD)



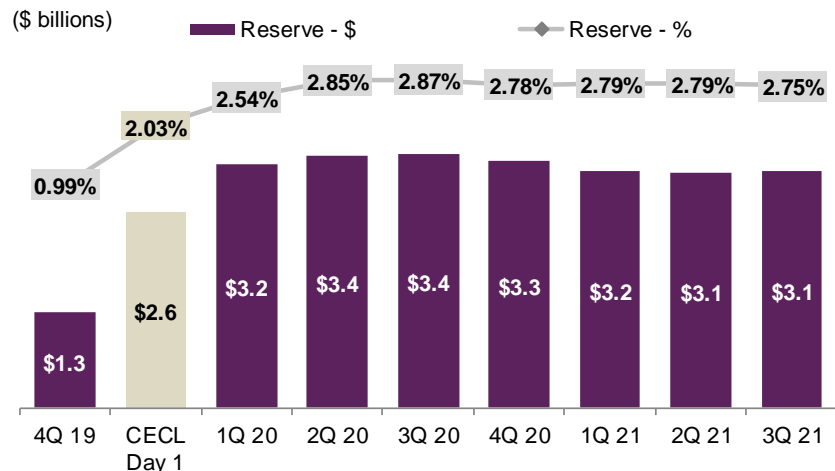
### 30+ DPD (\$M and %)

| 3Q 20   | 4Q 20   | 1Q 21   | 2Q 21   | 3Q 21   |
|---------|---------|---------|---------|---------|
| 3.32%   | 3.61%   | 3.19%   | 2.20%   | 2.25%   |
| \$2,428 | \$2,616 | \$2,322 | \$1,599 | \$1,658 |
| 2.49%   | 1.43%   | 1.60%   | 1.83%   |         |
| \$1,834 | \$1,059 | \$1,218 | \$1,427 |         |

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

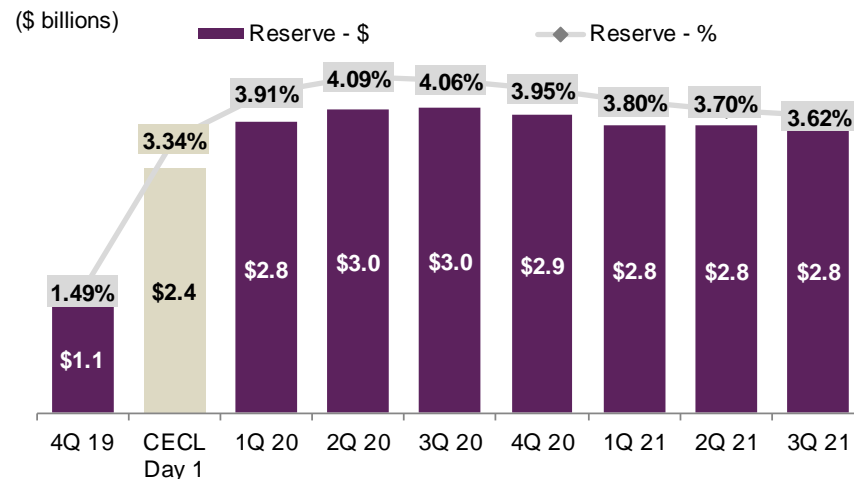
# Asset Quality: Coverage and Reserves

## Consolidated Coverage Ratio



Coverage rate calculations exclude fair value adjustment for loans in hedge accounting relationships.

## Retail Auto Coverage Ratio



Coverage rate calculations exclude fair value adjustment for loans in hedge accounting relationships.

## Consolidated QoQ Reserve Walk

(\$ millions)

**2Q'21  
Reserve**  
**\$3,126**

**1** Net Charge-off  
Activity

**(\$54)** 3Q'21 NCOs

**\$54** Replenished

**2** Δ in Portfolio  
Size

**\$96**

↑ Retail Auto,  
↑ Ally Lending, ↑ Mortgage

**3** All Other Incl.  
Macroeconomic

**(\$74)**

Primarily Favorable  
Macroeconomic Trends

**3Q'21  
Reserve**  
**\$3,148**

# Ally Bank: Deposit & Customer Trends

## Retail Deposits of \$131.6 billion, up 9% YoY

- Total deposits of \$139.4 billion, up 3% YoY, representing 90% of Ally's overall funding

- Brokered / other deposits of \$7.9 billion, reduced 44% YoY

## 2.45 million retail deposit customers, up 11% YoY

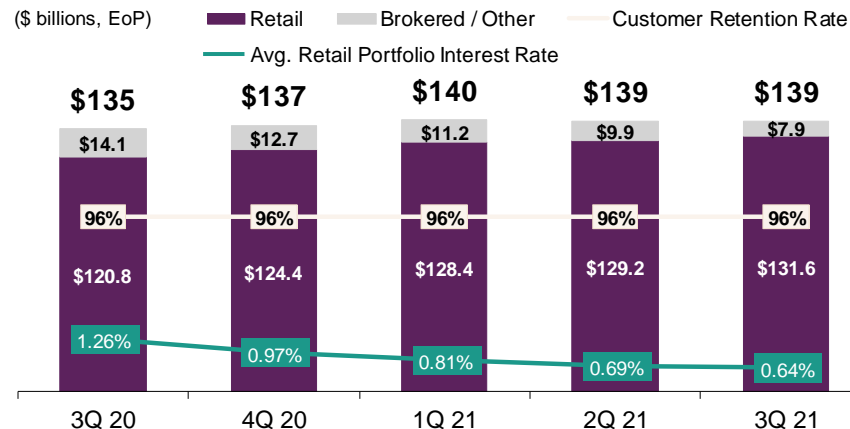
- Customer retention of 96% remained solid

- Expanded customer base by 54 thousand in 3Q'21, our 50<sup>th</sup> consecutive quarter of growth

- Customer engagement and multi-product usage remains robust; surpassed 500 thousand active 'Smart Savings Tool' users

- 71% of new customers in 3Q from millennial or younger generation

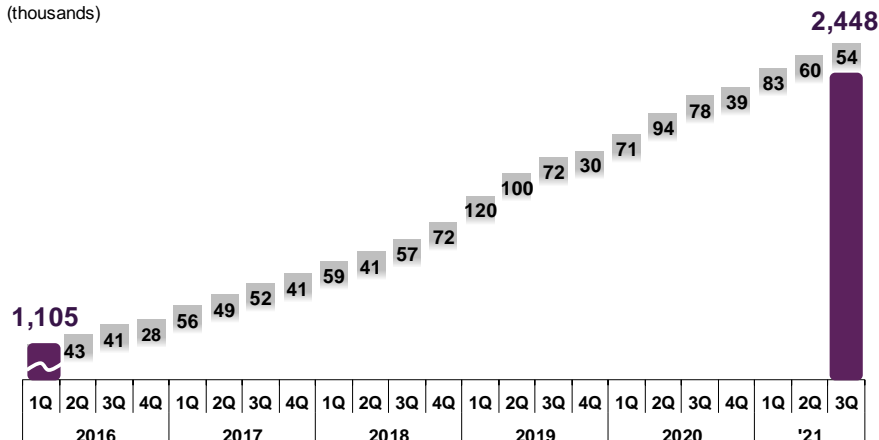
## Total Deposits: Retail & Brokered Balances



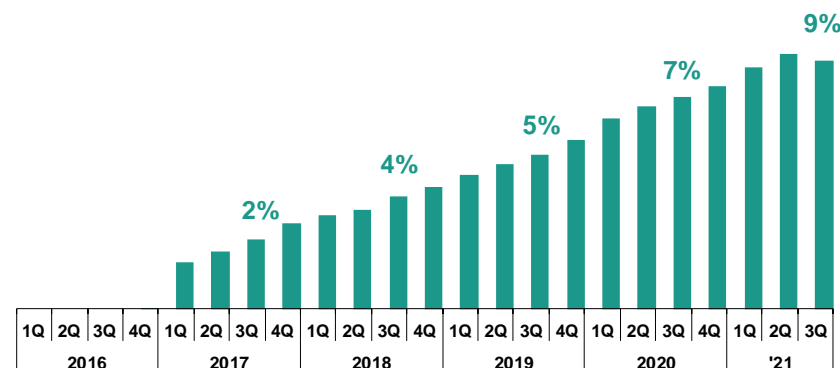
Note: Brokered / Other includes sweep deposits, mortgage escrow and other deposits. See page 31 for Customer Retention Rate definition. Numbers may not foot due to rounding.

## Retail Deposit Customer Quarterly Growth

(thousands)



## Multi-Product Relationship Customers



Note: Multi-relationship customers represent Deposit Customers with an Ally Invest or Ally Home relationship.

# Ally Bank: Leading, Growing, All-Digital Disruptor



#1

Largest All-Digital,  
Direct U.S. Bank<sup>(1)</sup>

50

Consecutive Quarters  
of Customer Growth

\$132B

Retail Deposit  
Balances

12+

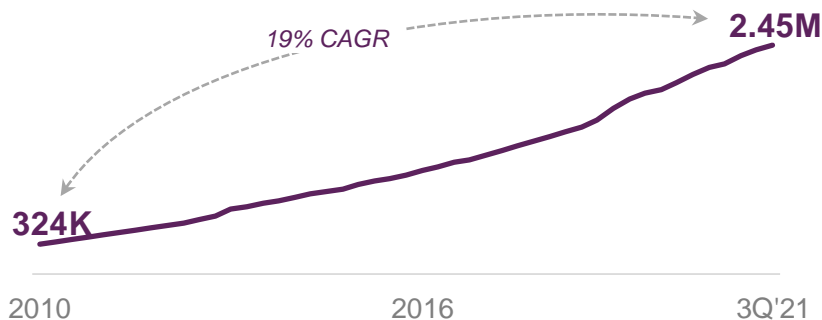
Consecutive Years of  
Retail Deposit Growth

Kiplinger

Best Internet Bank  
(2017-2021)

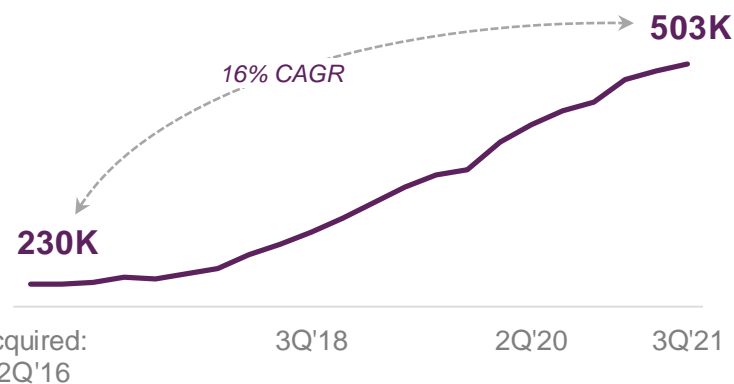
## Ally Bank Customers

Deposit Customers: Serving as the 'gateway' to digital-first consumer products



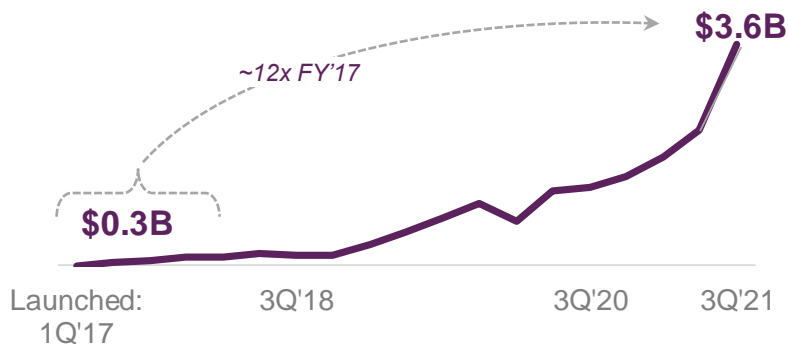
## Ally Invest

Depositors drove 71% of self-directed and managed account growth in 3Q'21



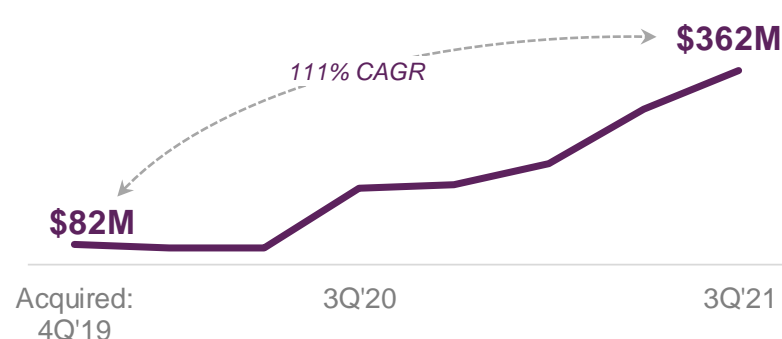
## Ally Home

Depositors drove 30% of Home originations in 3Q'21



## Ally Lending

Point-of-Sale Volume: Healthcare (4Q'19), Home improvement (3Q'20), Retail (2Q'21)



**Sustained momentum demonstrates Ally's brand value and strength**

See page 32 for footnotes.

Note: Ally Bank, Member FDIC and Equal Housing Lender, offers mortgage lending, point-of-sale personal lending, and a variety of deposit and other banking products, including savings, money-market, and checking accounts, CDs, and IRAs. Additionally, we offer securities-brokerage and investment-advisory services through Ally Invest.

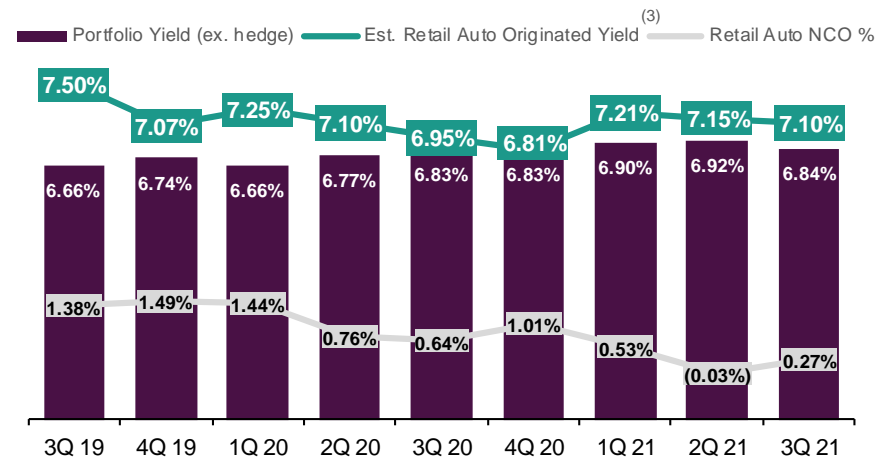
ally do it right.

# Auto Finance

- **Auto pre-tax income of \$825 million in 3Q 2021, reflecting industry leading capabilities and well-positioned platform**
  - Net financing revenue reflects strong retail auto trends and elevated off-lease vehicle gains, offsetting lower floorplan balances
  - Continued strong credit performance resulting in historically low net losses
  - Earning assets of \$101.2 billion, down \$3.6 billion YoY and down \$522 million QoQ, due to lower industry inventory levels
- **Used vehicle values continue to reflect strong consumer demand and low vehicle supplies**
  - \$86 million of remarketing gains despite elevated lessee and dealer buyout activity
- **Ally delivering comprehensive products and innovative solutions for our dealers and customers**
  - Dealer relationships<sup>(2)</sup> surpassed 20k with a continued focus on deepening engagement
  - Decisioned 3.3 million applications, highest third quarter volume on record
  - Pricing and credit trends reflect disciplined underwriting and ongoing investments in talent and technology capabilities

| Key Financials (\$ millions)            | 3Q 21      | Inc / (Dec) v. |            |
|---|------------|----------------|------------|
|   |            | 2Q 21          | 3Q 20      |
| Net financing revenue                   | \$ 1,329   | \$ (4)         | \$ 227     |
| Total other revenue                     | 61         | -              | -          |
| Total net revenue                       | 1,390      | (4)            | 227        |
| Provision for credit losses             | 53         | 76             | (75)       |
| Noninterest expense <sup>(1)</sup>      | 512        | 12             | 43         |
| Pre-tax income                          | \$ 825     | \$ (92)        | \$ 259     |
| U.S. auto earning assets (EOP)          | \$ 101,239 | \$ (522)       | \$ (3,553) |
| <b>Key Statistics</b>                   |            |                |            |
| Remarketing gains (\$ millions)         | \$ 86      | \$ (42)        | \$ 16      |
| Average gain per vehicle                | \$ 2,495   | \$ (1,189)     | \$ 58      |
| Off-lease vehicles terminated (# units) | 34,475     | (293)          | 5,558      |
| Application Volume (# thousands)        | 3,257      | (270)          | 17         |

## Retail Auto Trends



See page 32 for additional footnotes.

(3) Estimated Retail Auto Originated Yield is a forward-looking non-GAAP financial measure. See page 31 for details.



# Auto Finance: Agile Market Leader



**#1**  
Prime Auto Lender<sup>(1)</sup>

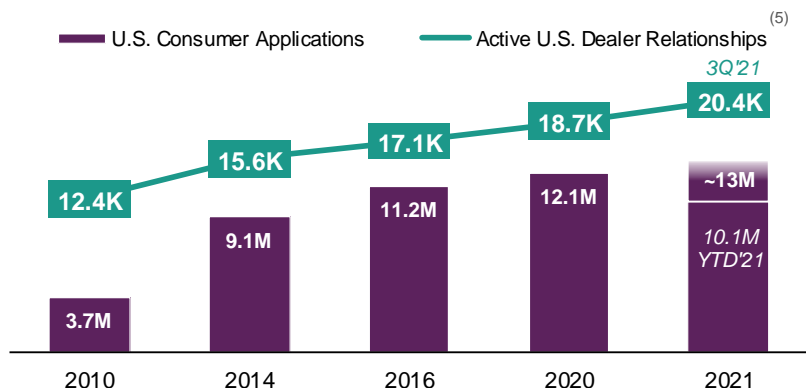
**#1**  
Bank Floorplan Lender<sup>(2)</sup>

**#1**  
Bank Retail Auto Loan Outstandings<sup>(3)</sup>

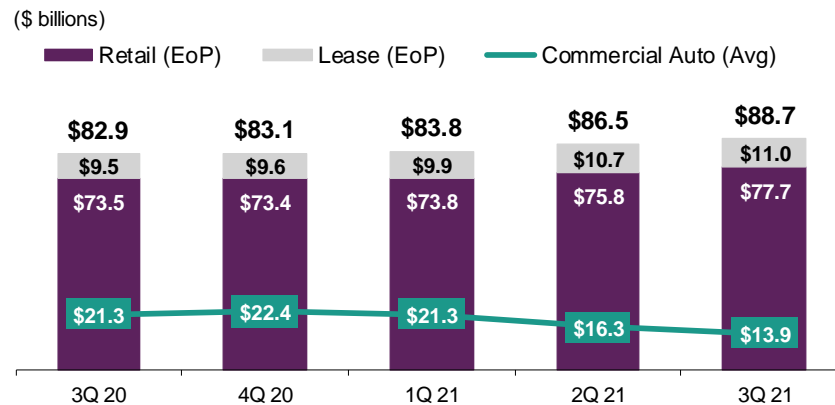
**#1**  
Dealer Satisfaction J.D. Power Award<sup>(4)</sup>

**Leading**  
Insurance Provider (F&I, P&C Products)

## Dealer Relationships & Consumer Applications



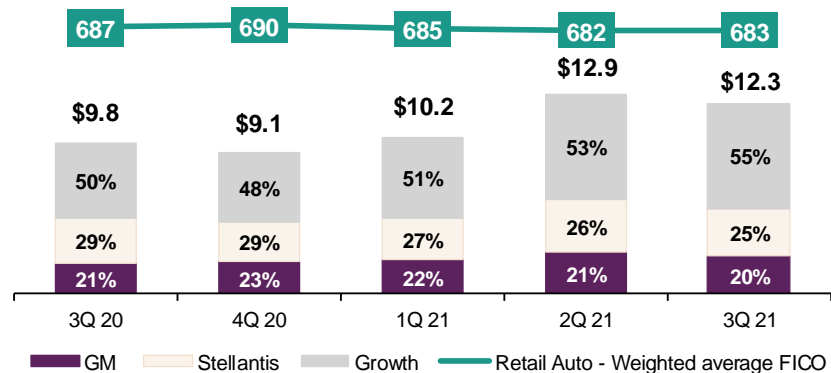
## Auto Balance Sheet Trends



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

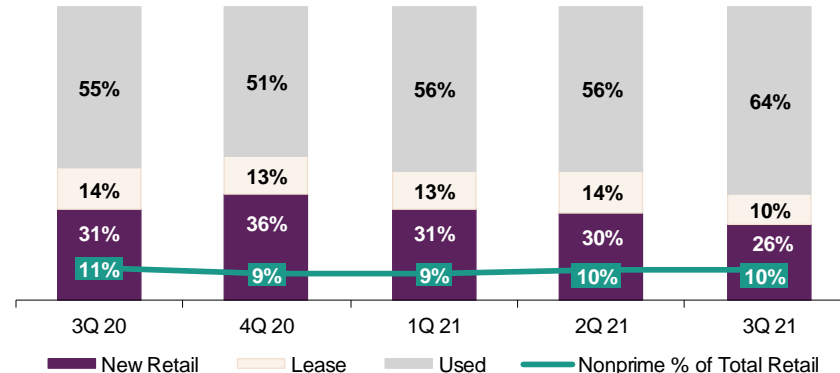
## Consumer Originations

(\$ billions; % of \$ originations)



## Consumer Origination Mix

(% of \$ originations)



See pages 31 and 32 for footnotes and definitions.

# Insurance

- Insurance pre-tax income of \$24 million and core pre-tax income, excluding the change in fair value of equities of \$89 million in 3Q 2021**

- Loss claims declined YoY driven by favorable weather losses
- Investment income higher YoY and QoQ reflecting realized gain activity and growth in the \$6.4 billion investment portfolio

- Written premiums of \$295 million in 3Q 2021, despite lower industry inventories and unit sales**

- \$242 million in consumer F&I product written premiums, down 10% YoY, impacted by vehicle sales
- P&C premiums of \$53 million continue to be impacted by supply chain disruptions and prevailing vehicle inventory constraints

| Key Financials (\$ millions)                             | 3Q 21    | Inc / (Dec) v. |         |
|--|----------|----------------|---------|
|  |          | 2Q 21          | 3Q 20   |
| Premiums, service revenue earned and other               | \$ 282   | \$ (1)         | \$ 3    |
| VSC Losses   | 33       | -              | (1)     |
| Weather Losses   | 11       | (4)            | (15)    |
| Other Losses   | 25       | (1)            | (0)     |
| Losses and loss adjustment expenses                      | 69       | (5)            | (16)    |
| Acquisition and underwriting expenses <sup>(2)</sup>     | 204      | 6              | 21      |
| Total underwriting income                                | 9        | (2)            | (2)     |
| Investment income and other (adjusted) <sup>(1)</sup>    | 80       | 24             | 26      |
| Core pre-tax income <sup>(1)</sup>                       | \$ 89    | \$ 22          | \$ 24   |
| Change in fair value of equity securities <sup>(3)</sup> | (65)     | (85)           | (78)    |
| Pre-tax income   | \$ 24    | \$ (63)        | \$ (54) |
| Total assets (EOP)                                       | \$ 9,354 | \$ (40)        | \$ 410  |

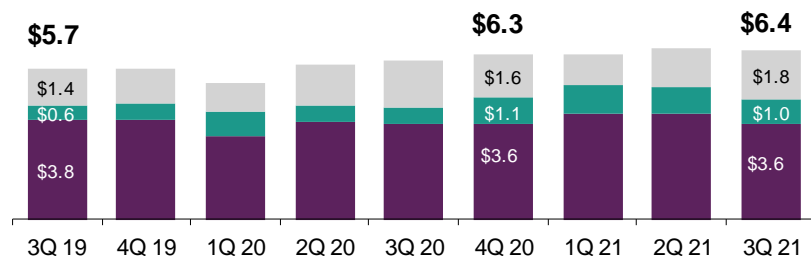
  

| Key Statistics - Insurance Ratios | 3Q 21 | 2Q 21 | 3Q 20 |
|-----------------------------------|-------|-------|-------|
| Loss ratio                        | 24.4% | 26.3% | 30.3% |
| Underwriting expense ratio        | 72.0% | 70.4% | 65.8% |
| Combined ratio                    | 96.4% | 96.7% | 96.1% |

## Insurance Investment Portfolio

(\$ billions, EOP)

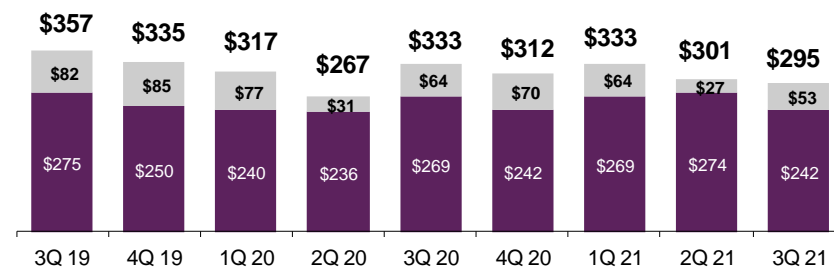
■ Fixed Income Securities ■ Equity Securities ■ Cash & Cash Equivalents and Other



## Insurance Written Premiums

(\$ millions)

■ F&I ■ P&C



(1) Represents a non-GAAP financial measure. See page 39 for calculation methodology and details.

For additional footnotes see page 32.

F&amp;I: Finance and insurance products. P&amp;C: Property and casualty insurance.

# Corporate Finance

- **Corporate Finance pre-tax income of \$61 million, and core pre-tax income, excluding the change in fair value of equities, of \$60 million in 3Q 2021**

- Revenues reflect strong fee income, the QoQ decline in other revenue was driven by elevated 2Q'21 investment gain activity
- Strong credit performance reflects disciplined approach to underwriting and servicing

- **\$6.6 billion HFI loans grew 7% QoQ and 12% YoY**

- Strong pipeline activity and \$4.6 billion of unfunded commitments, positions Ally for ongoing portfolio expansion

## Key Financials (\$ millions)

|  | 3Q 21    | Inc / (Dec) v. |        |
|--|----------|----------------|--------|
|  |          | 2Q 21          | 3Q 20  |
| Net financing revenue                                    | \$ 77    | \$ -           | \$ 2   |
| Adjusted total other revenue <sup>(1)</sup>              | 15       | (19)           | 7      |
| Adjusted total net revenue <sup>(1)</sup>                | 92       | (19)           | 9      |
| Provision for credit losses                              | 5        | 18             | 4      |
| Noninterest expense <sup>(2)</sup>                       | 27       | (1)            | 4      |
| Core pre-tax income <sup>(1)</sup>                       | \$ 60    | \$ (36)        | \$ 1   |
| Change in fair value of equity securities <sup>(3)</sup> | 1        | 2              | 0      |
| Pre-tax income   | \$ 61    | \$ (34)        | \$ 1   |
| Total assets (EOP)                                       | \$ 6,729 | \$ 483         | \$ 734 |

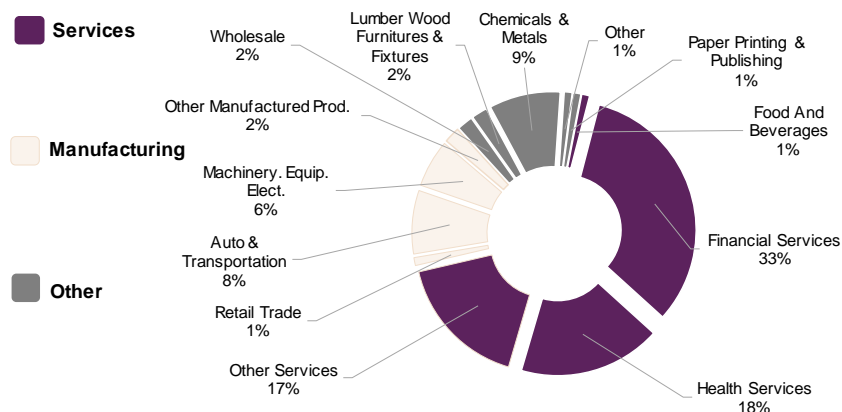
## Key Portfolio Metrics

**54%**  
Asset Based Lending

**99.9%**  
First Lien

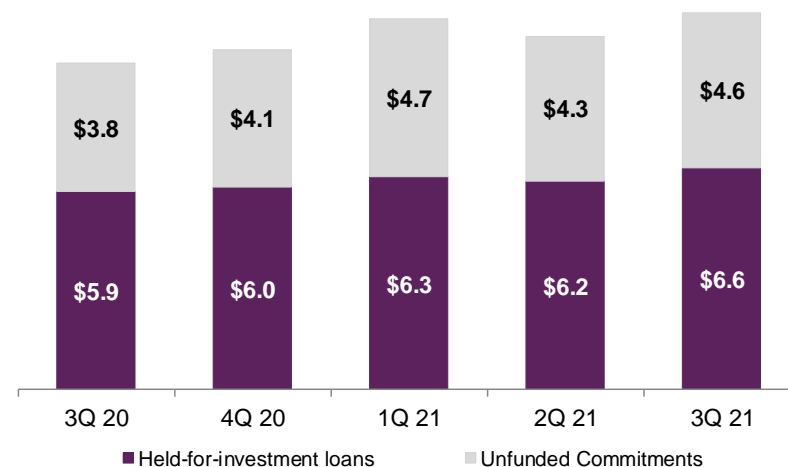
**~75%**  
Loans with interest rate floors

## Outstandings by Industry (as of 9/30/21)



## HFI Loans and Unfunded Commitments

(end of period balances, \$ billions)



(1) Represents a non-GAAP financial measure. See page 39 for calculation methodology and details.

For additional footnotes see page 32.

# Mortgage Finance

- **Mortgage pre-tax income of \$6 million in 3Q 2021**
  - Net financing revenue trends reflect ongoing elevated prepayment activity mitigated by increased direct to consumer lending activity
  - Other revenue down QoQ as origination mix shifted from HFS to HFI and gain on sale margins moderated
- **Direct-to-Consumer (DTC) originations of \$3.6 billion in 3Q 2021, up 60% QoQ and 176% YoY**
  - 30% of 3Q originations from Ally Bank deposit customers
  - 69% of origination units from refinance activity, up 120% YoY

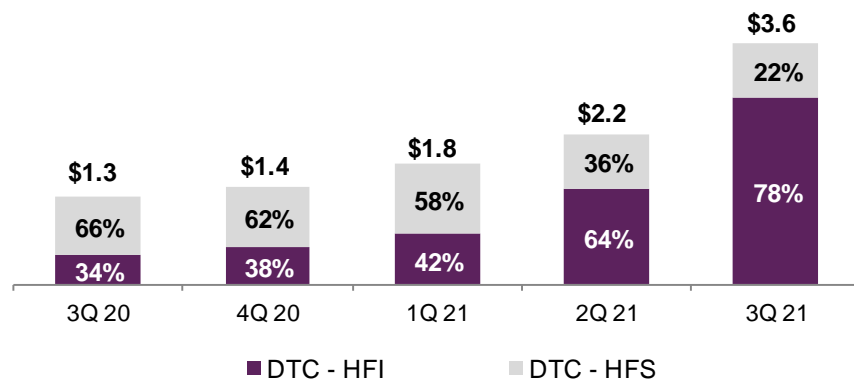
| Key Financials (\$ millions)       | 3Q 21     | Inc / (Dec) v. |         |
|------------------------------------|-----------|----------------|---------|
|                                    |           | 2Q 21          | 3Q 20   |
| Net financing revenue              | \$ 36     | \$ 13          | \$ 6    |
| Total other revenue                | 19        | (3)            | (17)    |
| Total net revenue                  | \$ 55     | \$ 10          | \$ (11) |
| Provision for credit losses        | 2         | 2              | 2       |
| Noninterest expense <sup>(1)</sup> | 47        | 2              | 7       |
| Pre-tax income                     | \$ 6      | \$ 6           | \$ (20) |
| Total assets (EOP)                 | \$ 16,328 | \$ 2,463       | \$ 825  |

| Mortgage Finance HFI Portfolio    | 3Q 21   | 2Q 21   | 3Q 20   |
|-----------------------------------|---------|---------|---------|
| Net Carry Value (\$ billions)     | \$ 16.0 | \$ 13.6 | \$ 15.1 |
| Wtd. Avg. LTV/CLTV <sup>(2)</sup> | 57.6%   | 58.8%   | 60.3%   |
| Refreshed FICO                    | 776     | 776     | 776     |

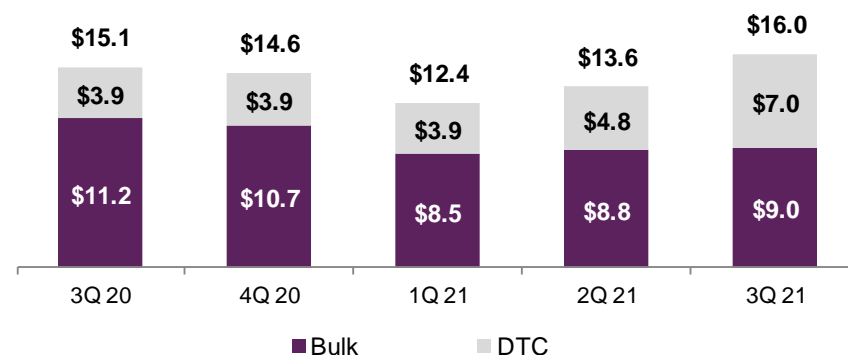
## Mortgage Finance DTC Originations

(\$ billions)



## Mortgage Finance Held-for-Investment Assets

(\$ billions, EOP)

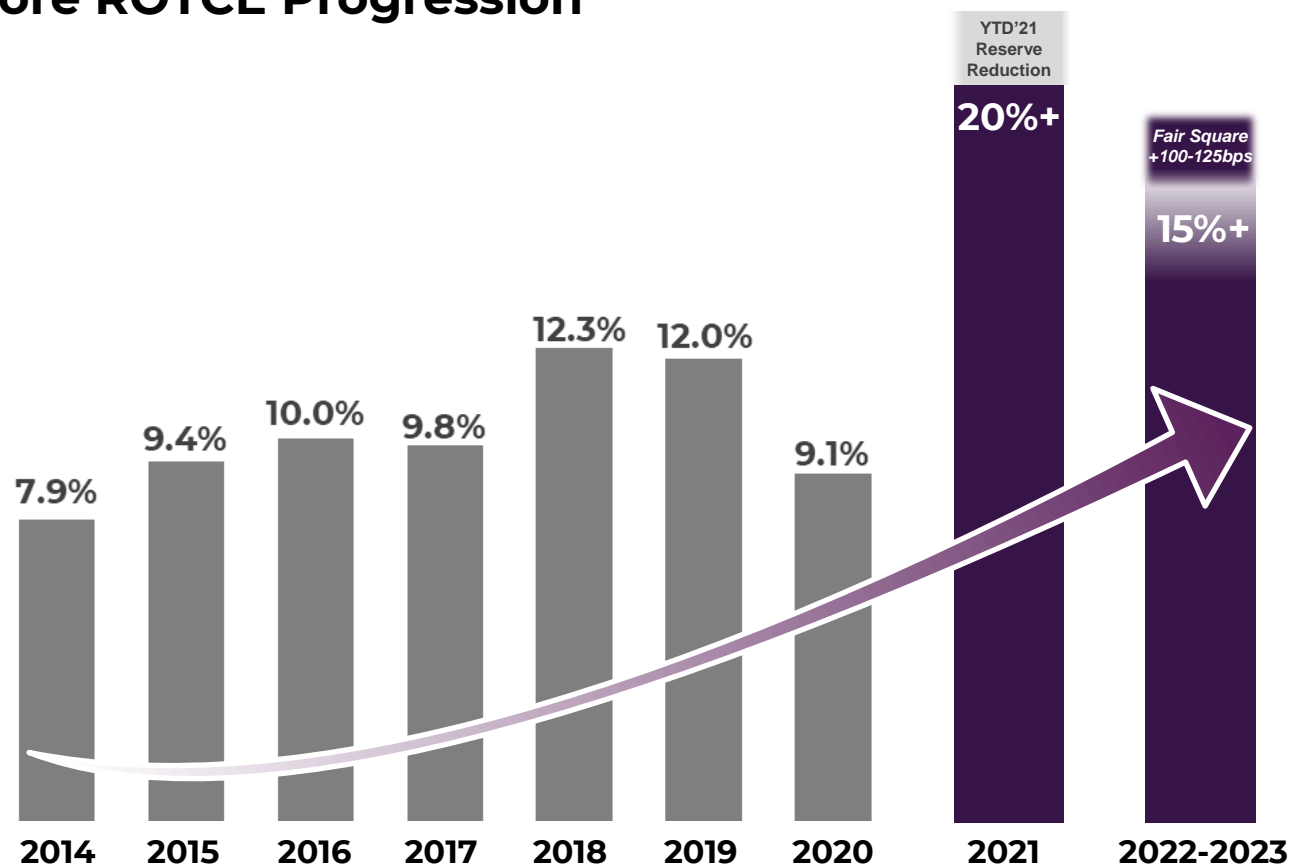


See page 33 for footnotes

# Financial Outlook

Structurally more profitable company

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



### Enhanced, Sustainable Return & Growth Profile

- ✓ Annual expansion of PPNR and Operating Leverage discipline
- ✓ Expanding NIM (Mid/Hi 3%) and Net Financing Revenue
- ✓ Expanding Other Revenue (Mid-\$400 / qtr)
- ✓ Normalizing Credit Trends
- ✓ Consistent Tax Rate (23-24%)<sup>(2)</sup>

Executing against our long-term strategic objectives

(1) Represents a non-GAAP financial measure. See page 37 for details.

(2) Assumes statutory U.S. Federal tax rate is unchanged at 21%.

# Strategic Priorities

## 'Do It Right' Culture



- **Leading, adaptable Auto and Insurance and digitally-based Ally Bank platforms**
- **Ongoing customer growth and relationship deepening across scalable platforms**
- **Sustainable growth in evolving and expanded product offerings**
- **Efficient, disciplined risk management and capital deployment**
- **Long-term execution driving sustainable results and enhanced value**

**Driving enhanced long-term value**

# Supplemental



**ally**  
do it right.

# Results by Segment

## Core pre-tax income Walk

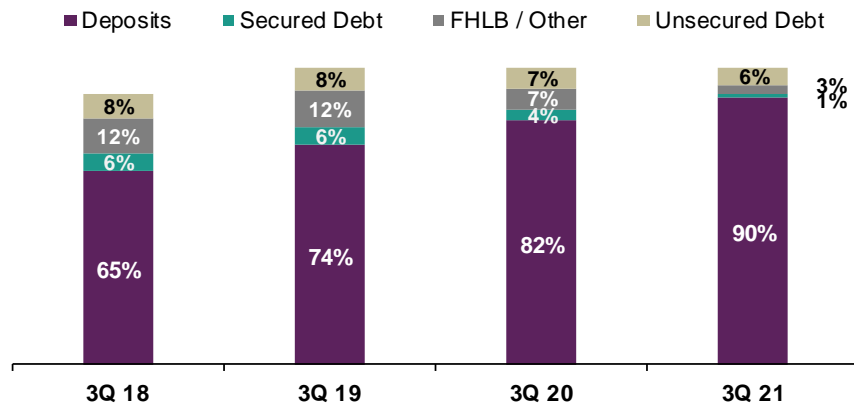
| Segment Detail (\$ millions)                             | 3Q 21           | 2Q 21           | 3Q 20         | Inc / (Dec) v.  |               |
|--|-----------------|-----------------|---------------|-----------------|---------------|
|  |                 |                 |               | 2Q 21           | 3Q 20         |
| Automotive Finance                                       | \$ 825          | \$ 917          | \$ 566        | \$ (92)         | \$ 259        |
| Insurance  | 24              | 87              | 78            | (63)            | (54)          |
| <b>Dealer Financial Services</b>                         | <b>\$ 849</b>   | <b>\$ 1,004</b> | <b>\$ 644</b> | <b>\$ (155)</b> | <b>\$ 205</b> |
| Corporate Finance  | 61              | 95              | 60            | (34)            | 1             |
| Mortgage Finance   | 6               | -               | 26            | 6               | (20)          |
| Corporate and Other                                      | (9)             | (57)            | (98)          | 48              | 89            |
| <b>Pre-tax income from continuing operations</b>         | <b>\$ 907</b>   | <b>\$ 1,042</b> | <b>\$ 632</b> | <b>\$ (135)</b> | <b>\$ 275</b> |
| Core OID <sup>(1)</sup>                                  | 9               | 9               | 9             | (0)             | 0             |
| Change in fair value of equity securities <sup>(2)</sup> | 65              | (19)            | (13)          | 84              | 78            |
| Repositioning and other <sup>(3)</sup>                   | 52              | 70              | -             | (18)            | 52            |
| <b>Core pre-tax income <sup>(1)</sup></b>                | <b>\$ 1,032</b> | <b>\$ 1,102</b> | <b>\$ 628</b> | <b>\$ (69)</b>  | <b>\$ 405</b> |

(1) Represents a non-GAAP financial measure. See pages 39 and 40 for calculation methodology and details. See page 33 for additional footnotes.



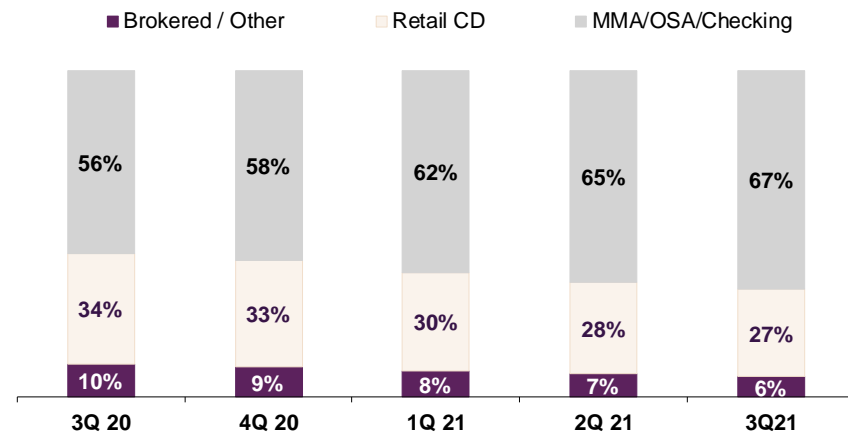
# Funding Profile Details

## Funding Mix



Note: Totals may not foot due to rounding.

## Deposit Mix



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

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

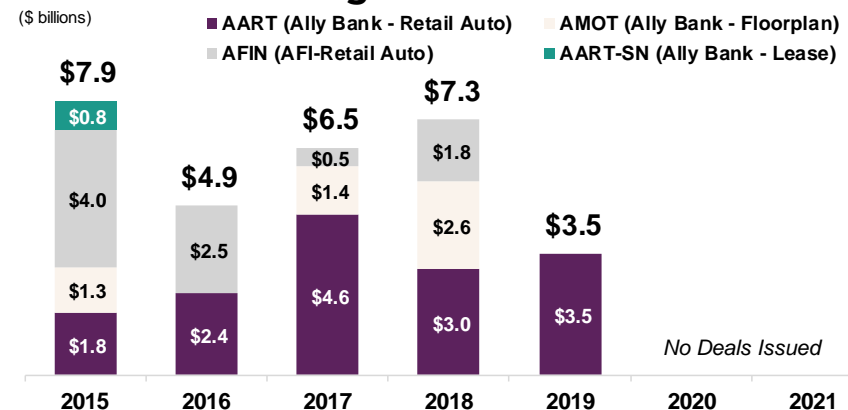
| Maturity Date        | Coupon | Principal Amount Outstanding <sup>(2)</sup><br>(\$ billions) |
|----------------------|--------|--|
| 2022                 | 4.32   | \$1.05   |
| 2023                 | 2.09   | \$2.00   |
| 2024                 | 4.48   | \$1.45   |
| 2025+ <sup>(3)</sup> | 6.81   | \$4.79   |

(1) Excludes retail notes and trust preferred securities; as of 9/30/2021.

(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. 2025+ excludes Trust Preferred securities (excluding OID/issuance costs).

## Wholesale Funding Issuance



## Term Unsecured Issuance

|       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|
| 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
| \$5.4 | \$0.9 | \$0.0 | \$0.0 | \$0.8 | \$2.8 | \$0.0 |

Note: Term ABS shown includes funding amounts (notes sold) at new issue and does not include private offerings sold later. Excludes \$2.35 billion of preferred equity issued in 2021.

# Corporate and Other

- **Corporate and Other activity reflects:**
  - Centralized asset and liability management
  - Corporate allocation activities
  - Legacy mortgage portfolio
  - Ally Invest and Ally Lending activities
- **Pre-tax loss of \$9 million, up \$89 million YoY and \$48 million QoQ**
  - Net financing revenue up QoQ and YoY from deposit pricing actions
  - Total other revenue down QoQ and YoY driven by corporate investment gain activity at Ally Ventures in prior periods
- **Total assets of \$47.2 billion, down \$4.3 billion YoY, driven by lower cash balances**

## Key Financials (\$ millions)

|  | 3Q 21     | Inc / (Dec) v. |            |
|--|-----------|----------------|------------|
|  |           | 2Q 21          | 3Q 20      |
| Net financing revenue                                    | \$ 138    | \$ 39          | \$ 153     |
| Total other revenue                                      | 12        | (66)           | (28)       |
| Total net revenue  | \$ 150    | \$ (27)        | \$ 125     |
| Provision for credit losses                              | 16        | 12             | (2)        |
| Noninterest expense                                      | 143       | (87)           | 38         |
| Pre-tax loss   | \$ (9)    | \$ 48          | \$ 89      |
| Core OID <sup>(1)</sup>                                  | 9         | (0)            | 0          |
| Repositioning and other <sup>(2)</sup>                   | 52        | (18)           | 52         |
| Change in fair value of equity securities <sup>(3)</sup> | 1         | 1              | 1          |
| Core pre-tax income <sup>(1)</sup>                       | \$ 52     | \$ 31          | \$ 141     |
| Cash & securities  | \$ 40,692 | \$ (3,512)     | \$ (5,083) |
| Held-for-investment loans, net <sup>(4)</sup>            | 1,436     | 136            | (116)      |
| Intercompany loan <sup>(5)</sup>                         | (898)     | (201)          | (898)      |
| Other <sup>(5)</sup>                                     | 5,926     | (70)           | 1,791      |
| Total assets   | \$ 47,156 | \$ (3,647)     | \$ (4,306) |

## Ally Invest Details (\$ millions, accounts and trades in thousands)

|  | 3Q 21     | 2Q 21     | 3Q 20     |
|--|-----------|-----------|-----------|
| Net Funded Accounts ( <i>self-directed and managed</i> )       | 502.9     | 494.6     | 445.1     |
| Average Customer Trades Per Day                                | 40.8      | 48.5      | 58.7      |
| Total Customer Cash Balances                                   | \$ 2,175  | \$ 2,166  | \$ 1,946  |
| Total Net Customer Assets ( <i>self-directed and managed</i> ) | \$ 16,290 | \$ 16,444 | \$ 11,498 |

## Ally Financial Rating Details

|                | LT Debt   | ST Debt | Outlook | Date      |
|----------------|-----------|---------|---------|-----------|
| <b>Fitch</b>   | BBB-      | F3      | Stable  | 3/30/2021 |
| <b>Moody's</b> | Baa3      | P-3     | Stable  | 8/27/2021 |
| <b>S&amp;P</b> | BBB-      | A-3     | Stable  | 3/25/2021 |
| <b>DBRS</b>    | BBB (Low) | R-3     | Stable  | 3/4/2021  |

Note: Ratings & Outlook as of 9/30/2021. Our borrowing costs & access to the capital markets could be negatively impacted if our credit ratings are downgraded or otherwise fail to meet investor expectations or demands.

(1) Represents a non-GAAP financial measure. See page 39 and 40 for calculation methodology and details. See page 33 for additional footnotes.

## Ally Lending (previously HCS)

|   | 3Q 21  | 2Q 21  | 3Q 20  |
|---|--------|--------|--------|
| Gross Originations (\$ millions)              | \$ 362 | \$ 299 | \$ 172 |
| Held-for-investment loans (\$ millions) (EOP) | \$ 836 | \$ 640 | \$ 327 |
| Portfolio yield                               | 13.9%  | 14.4%  | 17.8%  |
| NCO %   | 2.8%   | 3.3%   | 3.4%   |

# Interest Rate Risk Sensitivities

## Net Financing Revenue Sensitivity Analysis <sup>(1)</sup>

(\$ millions)

| Change in interest rates | 3Q 21                  |               | 2Q 21                  |               |
|--------------------------|------------------------|---------------|------------------------|---------------|
|                          | Gradual <sup>(2)</sup> | Instantaneous | Gradual <sup>(2)</sup> | Instantaneous |
| -25 bps <sup>(3)</sup>   | \$ (27)                | \$ (54)       | \$ (43)                | \$ (96)       |
| +100 bps                 | \$ 70                  | \$ 53         | \$ (71)                | \$ (70)       |
| Stable rate environment  | n/m                    | \$ (29)       | n/m                    | \$ (27)       |

(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.

(3) The -100bps shock has been replaced with a -25bps shock, given low interest rate environment. Model assumes OSA rate near current pricing levels in down shock scenarios.

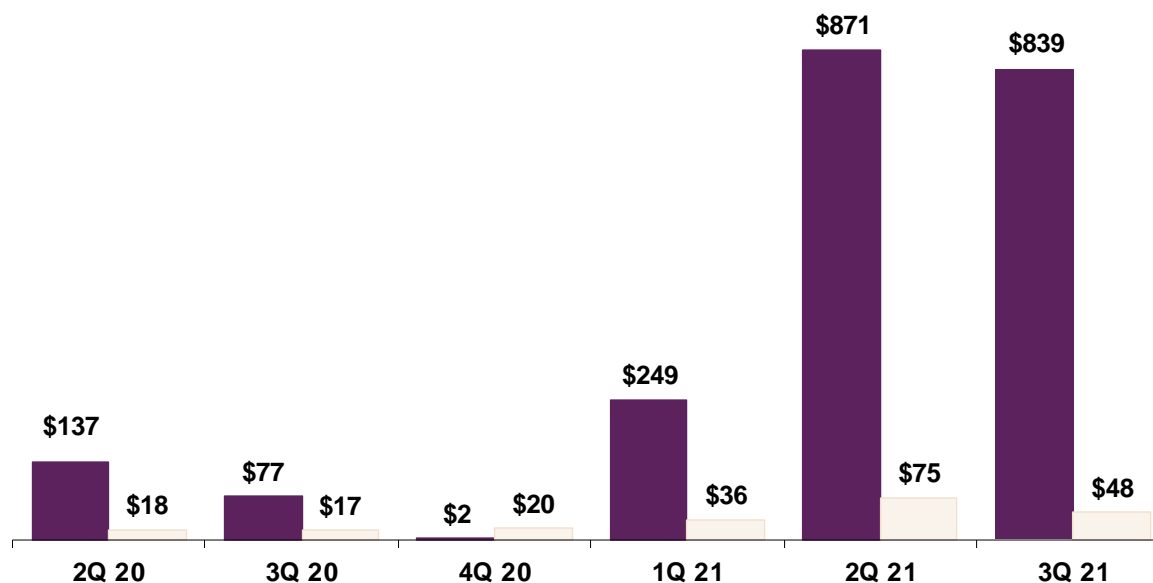
# Deferred Tax Asset

| Deferred Tax Asset<br>(\$ millions) | 3Q 21 <sup>(1)</sup> |                        |                    | 2Q 21 <sup>(1)</sup> |
|-------------------------------------|----------------------|------------------------|--------------------|----------------------|
|                                     | Gross DTA<br>Balance | Valuation<br>Allowance | Net DTA<br>Balance | Net DTA<br>Balance   |
| Net Operating Loss (Federal)        | \$ 7                 | \$ -                   | \$ 7               | \$ 8                 |
| Tax Credit Carryforwards            | 918                  | (702)                  | 216                | 266                  |
| State/Local Tax Carryforwards       | 220                  | (103)                  | 117                | 121                  |
| Other Deferred Tax Assets, net      | 499                  | -                      | 499                | 476                  |
| <b>Net Deferred Tax Asset</b>       | <b>\$ 1,644</b>      | <b>\$ (805)</b>        | <b>\$ 839</b>      | <b>\$ 871</b>        |

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

## Deferred Tax Asset / (Liability) Utilization

(\$ millions) ■ Net GAAP DTA Balance ■ Disallowed DTA



Note: 4Q19 to 1Q20 DTA build was significantly impacted by CECL adoption on 1-1-2020. 1Q21, 2Q21 and 3Q21 increase in DTA driven primarily by change in tax depreciation election.

# Fair Square Credit Card Offerings

Attractive, customer-centric product offerings



|   | No Surprise Fees | \$0 Fraud Liability | Free FICO | Annual Fee | Benefits & Rewards                              |
|---|------------------|---------------------|-----------|------------|---|
| <b>Platinum</b>                         | ✓                | ✓                   | ✓         | \$0        | e.g. No Balance Transfer Fees                   |
| <b>Rewards</b>                          | ✓                | ✓                   | ✓         | \$0 / \$39 | 2% Gas, Grocery, Phrmc'y<br>1% Everyw here Else |
| <b>Rewards+</b><br>Nurses & Educators   | ✓                | ✓                   | ✓         | \$0        | 2% Cash Back                                    |
| <b>Optimum</b><br>Pilot launched in '21 | ✓                | ✓                   | ✓         | \$0        | 2.5% Cash Back                                  |

# Notes on Non-GAAP 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, Pre-provision net revenue (PPNR) and Core pre-provision net revenue (Core PPNR), 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, Adjusted noninterest expense, 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. For calculation methodology, refer to the 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 (change in fair value of equity securities impacts the Insurance and Corporate Finance segments), and (3) Repositioning and other which are primarily related to the extinguishment of high cost legacy debt, strategic activities and significant other one-time items, as applicable for respective periods or businesses. 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 39 for calculation methodology and details.
- 2) **Core pre-provision net revenue (Core PPNR)** is a non-GAAP financial measure calculated by adjusting Core pre-tax income to add back provision for credit losses. Management believes that Core PPNR is a helpful financial metric because it enables the reader to assess the core business' ability to generate earnings to cover credit losses and as it is utilized by Federal Reserve's approach to modeling within the Supervisory Stress Test Framework that generally follows U.S. generally accepted accounting principles (GAAP) and includes a calculation of PPNR as a component of projected pre-tax net income.
- 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 and other primarily related to the extinguishment of high-cost legacy debt and strategic activities and significant other, preferred stock capital actions, significant discrete tax items and tax-effected changes in equity investments measured at fair value, as applicable for respective periods. See page 34 calculation methodology and details.
- 4) **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 35 for more details.
- 5) **Core original issue discount (Core OID) amortization expense** is a non-GAAP financial measure for OID and is believed by management to help the reader better understand the activity removed from: Core pre-tax income (loss), Core net income (loss) attributable to common shareholders, Adjusted EPS, Core ROTCE, Adjusted efficiency ratio, Adjusted total net revenue, and Net financing revenue (excluding Core OID). Core OID is primarily related to bond exchange OID which excludes international operations and future issuances. Core OID for all periods shown is applied to the pre-tax income of the Corporate and Other segment. See page 40 calculation methodology and details.
- 6) **Core outstanding original issue discount balance (Core OID balance)** is a non-GAAP financial measure for outstanding OID and is believed by management to help the reader better understand the balance removed from Core ROTCE and Adjusted TBVPS. Core OID balance is primarily related to bond exchange OID which excludes international operations and future issuances. See page 40 for calculation methodology and details.
- 7) **Accelerated issuance expense (Accelerated OID)** is the recognition of issuance expenses related to calls of redeemable debt.

# Notes on Other Financial Measures

- 8) **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.
- 9) **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 our SEC filings for more details.
- 10) **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.
- 11) **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/Stellantis dealers and direct-to-consumer loans. Note: Stellantis N.V. (“Stellantis”) announced January 17, 2021, following completion of the merger of Peugeot S.A. (“Groupe PSA”) and Fiat Chrysler Automobiles N.V. (“FCA”) on January 16, 2021, the combined company was renamed Stellantis.
  - Nonprime – originations with a FICO® score of less than 620
- 12) **Customer retention rate** is the annualized 3-month rolling average of 1 minus the monthly attrition rate; excludes escheatment.
- 13) **Estimated impact of CECL on regulatory capital per final rule issued by U.S. banking agencies** - In December 2018, the FRB and other U.S. banking agencies approved a final rule to address the impact of CECL on regulatory capital by allowing BHCs and banks, including Ally, the option to phase in the day-one impact of CECL over a three-year period. In March 2020, the FRB and other U.S. banking agencies issued an interim final rule that became effective on March 31, 2020 and provided an alternative option for banks to temporarily delay the impacts of CECL, relative to the incurred loss methodology for estimating the allowance for loan losses, on regulatory capital. A final rule that was largely unchanged from the March 2020 interim final rule was issued by the FRB and other U.S. banking agencies in August 2020, and became effective in September 2020. For regulatory capital purposes, these rules permitted us to delay recognizing the estimated impact of CECL on regulatory capital until after a two-year deferral period, which for us extends through December 31, 2021. Beginning on January 1, 2022, we will be required to phase in 25% of the previously deferred estimated capital impact of CECL, with an additional 25% to be phased in at the beginning of each subsequent year until fully phased in by the first quarter of 2025. Under these rules, firms that adopt CECL and elect the five-year transition will calculate the estimated impact of CECL on regulatory capital as the day-one impact of adoption plus 25% of the subsequent change in allowance during the two-year deferral period, which according to the final rule approximates the impact of CECL relative to an incurred loss model. We adopted this transition option during the first quarter of 2020, and plan to phase in the regulatory capital impacts of CECL based on this five-year transition period.
- 14) **Change in fair value of equity securities** impacts the Insurance, Corporate Finance and Corporate Other 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.

# Additional Notes

## Page – 15 | Ally Bank: Leading, Growing, All-Digital Disruptor

(1) Source: FDIC, FFIEC Call Reports and Company filings of branchless banks including Marcus, Discover, American Express, Synchrony.

## Page – 16 | Auto Finance

(1) Noninterest expense includes corporate allocations of \$233 million in 3Q 2021, \$218 million in 2Q 2021, and \$190 million in 3Q 2020.

(2) 'Active U.S. Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

## Page – 17 | Auto Finance: Agile Market Leader

(1) 'Prime Auto Lender' - Source: PIN Navigator Data & Analytics, a business division of J.D. Power. The credit scores provided within these reports have been provided by FICO® Risk Score, Auto 08 FICO® is a registered trademark of Fair Isaac Corporation in the United States and other countries. Ally management defines retail auto market segmentation (unit based) for consumer automotive loans primarily as those loans with a FICO® Score (or an equivalent score) at origination by the following:

- Super-prime 720+
- Prime 620 - 719
- Nonprime less than 620

(2) 'Bank Floorplan Lender' - Source: Company filings, including WFC and HBAN.

(3) 'Retail Auto Loan Outstandings' - Source: Big Wheels Auto Finance Data 2021.

(4) '#1 Dealer Satisfaction among Non-Captive Lenders with Sub-Prime Credit' - Source: J.D. Power.

(5) 'Active U.S. Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

## Page – 18 | Insurance

(2) Acquisition and underwriting expenses includes corporate allocations of \$22 million in 3Q 2021, \$20 million in 2Q 2021, and \$17 million in 3Q 2020.

(3) Change in fair value of equity securities impacts the Insurance segment. 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.

## Page – 19 | Corporate Finance

(2) Noninterest expense includes corporate allocations of \$10 million in 3Q 2021, \$9 million in 2Q 2021, and \$8 million in 3Q 2020.

(3) Change in fair value of equity securities impacts the Corporate Finance segment. 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.



# Additional Notes

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## Page – 20 | Mortgage Finance

- (1) *Noninterest expense includes corporate allocations of \$24 million in 3Q 2021, \$21 million in 2Q 2021, and \$19 million in 3Q 2020.*
- (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.*

## Page – 24 | Results by Segment

- (2) *Change in fair value of equity securities impacts the Insurance, Corporate Finance and Corp/Other 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.*
- (3) *Repositioning and other which are primarily related to the extinguishment of high-cost legacy debt, strategic activities and significant other one-time items, as applicable for respective periods or businesses.*

## Page – 26 | Corporate and Other

- (2) *Repositioning and other which are primarily related to the extinguishment of high-cost legacy debt, strategic activities and significant other one-time items, as applicable for respective periods or businesses.*
- (3) *Change in fair value of equity securities impacts the Corporate and Other segment. 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.*
- (4) *HFI legacy mortgage portfolio and HFI Ally Lending portfolio.*
- (5) *Intercompany loan related to activity between Insurance and Corporate for liquidity purposes from the wind down of the Demand Notes program. Includes loans held-for-sale.*

# GAAP to Core Results: Adjusted EPS - Quarterly

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

|   | QUARTERLY TREND          |                |                |                |                |                |                  |                |                |                |                |                |                |
|---|--------------------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 3Q 21                    | 2Q 21          | 1Q 21          | 4Q 20          | 3Q 20          | 2Q 20          | 1Q 20            | 4Q 19          | 3Q 19          | 2Q 19          | 1Q 19          | 4Q 18          | 3Q 18          |
| <i>Numerator</i> (\$ millions)  |                          |                |                |                |                |                |                  |                |                |                |                |                |                |
| <b>GAAP net income / (loss) attributable to common shareholders</b>                         | \$ 683                   | \$ 900         | \$ 796         | \$ 687         | \$ 476         | \$ 241         | \$ (319)         | \$ 378         | \$ 381         | \$ 582         | \$ 374         | \$ 290         | \$ 374         |
| Discontinued operations, net of tax   | -                        | (1)            | -              | -              | -              | 1              | -                | 3              | -              | 2              | 1              | (1)            | -              |
| Core OID  | 9                        | 9              | 10             | 9              | 9              | 9              | 8                | 8              | 7              | 7              | 7              | 23             | 22             |
| Repositioning Items   | 52                       | 70             | -              | -              | -              | 50             | -                | -              | -              | -              | -              | -              | -              |
| Change in fair value of equity securities   | 65                       | (19)           | (17)           | (111)          | (13)           | (90)           | 185              | (29)           | 11             | (2)            | (70)           | 95             | (6)            |
| Tax on Core OID, Repo & change in fair value of equity securities<br>(assumes 21% tax rate) | (26)                     | (13)           | 1              | 21             | 1              | 17             | (41)             | 4              | (4)            | (1)            | 13             | (25)           | (3)            |
| Significant discrete tax items  | -                        | (78)           | -              | -              | -              | -              | -                | -              | -              | (201)          | -              | -              | -              |
| <b>Core net income / (loss) attributable to common shareholders</b>                         | <b>[a] \$ 782</b>        | <b>\$ 868</b>  | <b>\$ 790</b>  | <b>\$ 606</b>  | <b>\$ 473</b>  | <b>\$ 228</b>  | <b>\$ (166)</b>  | <b>\$ 364</b>  | <b>\$ 396</b>  | <b>\$ 387</b>  | <b>\$ 325</b>  | <b>\$ 382</b>  | <b>\$ 386</b>  |
| <i>Denominator</i>  |                          |                |                |                |                |                |                  |                |                |                |                |                |                |
| <b>Weighted-average common shares outstanding - (Diluted, thousands)</b>                    | <b>[b] 361,855</b>       | <b>373,029</b> | <b>377,529</b> | <b>378,424</b> | <b>377,011</b> | <b>375,762</b> | <b>375,723</b>   | <b>383,391</b> | <b>392,604</b> | <b>399,916</b> | <b>405,959</b> | <b>414,750</b> | <b>424,784</b> |
| <i>Metric</i>   |                          |                |                |                |                |                |                  |                |                |                |                |                |                |
| <b>GAAP EPS</b>   | <b>\$ 1.89</b>           | <b>\$ 2.41</b> | <b>\$ 2.11</b> | <b>\$ 1.82</b> | <b>\$ 1.26</b> | <b>\$ 0.64</b> | <b>\$ (0.85)</b> | <b>\$ 0.99</b> | <b>\$ 0.97</b> | <b>\$ 1.46</b> | <b>\$ 0.92</b> | <b>\$ 0.70</b> | <b>\$ 0.88</b> |
| Discontinued operations, net of tax   | -                        | (0.00)         | -              | -              | -              | 0.00           | -                | 0.01           | -              | 0.01           | 0.00           | (0.00)         | -              |
| Core OID  | 0.03                     | 0.02           | 0.03           | 0.02           | 0.02           | 0.02           | 0.02             | 0.02           | 0.02           | 0.02           | 0.02           | 0.06           | 0.05           |
| Change in fair value of equity securities   | 0.18                     | (0.05)         | (0.04)         | (0.29)         | (0.04)         | (0.24)         | 0.49             | (0.08)         | 0.03           | (0.01)         | (0.17)         | 0.23           | (0.01)         |
| Repositioning Items   | 0.14                     | 0.19           | -              | -              | -              | 0.13           | -                | -              | -              | -              | -              | -              | -              |
| Tax on Core OID, Repo & change in fair value of equity securities<br>(assumes 21% tax rate) | (0.07)                   | (0.03)         | 0.00           | 0.06           | 0.00           | 0.05           | (0.11)           | 0.01           | (0.01)         | (0.00)         | 0.03           | (0.06)         | (0.01)         |
| Significant discrete tax items  | -                        | (0.21)         | -              | -              | -              | -              | -                | -              | -              | (0.50)         | -              | -              | -              |
| <b>Adjusted EPS</b>   | <b>[a] / [b] \$ 2.16</b> | <b>\$ 2.33</b> | <b>\$ 2.09</b> | <b>\$ 1.60</b> | <b>\$ 1.25</b> | <b>\$ 0.61</b> | <b>\$ (0.44)</b> | <b>\$ 0.95</b> | <b>\$ 1.01</b> | <b>\$ 0.97</b> | <b>\$ 0.80</b> | <b>\$ 0.92</b> | <b>\$ 0.91</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) adjusts for tax-effected repositioning and other which are primarily related to the extinguishment of high cost legacy debt, strategic activities and significant other one-time items, (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 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, as applicable for respective periods.

# GAAP to Core Results: Adjusted TBVPS - Quarterly

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

|   | QUARTERLY TREND   |         |         |         |         |         |         |         |         |         |         |         |         |
|---|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 3Q 21             | 2Q 21   | 1Q 21   | 4Q 20   | 3Q 20   | 2Q 20   | 1Q 20   | 4Q 19   | 3Q 19   | 2Q 19   | 1Q 19   | 4Q 18   | 3Q 18   |
| <i>Numerator</i> (\$ billions)                                    |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| GAAP shareholder's equity   | \$ 17.3           | \$ 17.5 | \$ 14.6 | \$ 14.7 | \$ 14.1 | \$ 13.8 | \$ 13.5 | \$ 14.4 | \$ 14.5 | \$ 14.3 | \$ 13.7 | \$ 13.3 | \$ 13.1 |
| less: Preferred equity  | (2.3)             | (2.3)   | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| GAAP common shareholder's equity                                  | \$ 15.0           | \$ 15.2 | \$ 14.6 | \$ 14.7 | \$ 14.1 | \$ 13.8 | \$ 13.5 | \$ 14.4 | \$ 14.5 | \$ 14.3 | \$ 13.7 | \$ 13.3 | \$ 13.1 |
| Goodwill and identifiable intangibles, net of DTLs                | (0.4)             | (0.4)   | (0.4)   | (0.4)   | (0.4)   | (0.4)   | (0.4)   | (0.5)   | (0.3)   | (0.3)   | (0.3)   | (0.3)   | (0.3)   |
| Tangible common equity  | 14.6              | 14.8    | 14.2    | 14.3    | 13.7    | 13.4    | 13.1    | 14.0    | 14.2    | 14.0    | 13.4    | 13.0    | 12.8    |
| Tax-effected Core OID balance<br>(assumes 21% tax rate)           | (0.7)             | (0.8)   | (0.8)   | (0.8)   | (0.8)   | (0.8)   | (0.8)   | (0.8)   | (0.8)   | (0.9)   | (0.9)   | (0.9)   | (0.9)   |
| Adjusted tangible book value                                      | [a] \$ 13.9       | \$ 14.1 | \$ 13.4 | \$ 13.5 | \$ 12.9 | \$ 12.6 | \$ 12.2 | \$ 13.1 | \$ 13.3 | \$ 13.2 | \$ 12.6 | \$ 12.1 | \$ 11.9 |
| <i>Denominator</i>  |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| Issued shares outstanding (period-end, thousands)                 | [b] 349,599       | 362,639 | 371,805 | 374,674 | 373,857 | 373,837 | 373,155 | 374,332 | 383,523 | 392,775 | 399,761 | 404,900 | 416,591 |
| <i>Metric</i>   |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| GAAP common shareholder's equity per share                        | \$ 42.8           | \$ 41.9 | \$ 39.3 | \$ 39.2 | \$ 37.8 | \$ 37.0 | \$ 36.2 | \$ 38.5 | \$ 37.7 | \$ 36.4 | \$ 34.3 | \$ 32.8 | \$ 31.4 |
| Goodwill and identifiable intangibles, net of DTLs per share      | (1.1)             | (1.0)   | (1.0)   | (1.0)   | (1.0)   | (1.0)   | (1.2)   | (1.2)   | (0.7)   | (0.7)   | (0.7)   | (0.7)   | (0.7)   |
| Tangible common equity per share                                  | 41.8              | 40.9    | 38.3    | 38.2    | 36.7    | 35.9    | 35.0    | 37.3    | 37.0    | 35.7    | 33.6    | 32.1    | 30.7    |
| Tax-effected Core OID balance<br>(assumes 21% tax rate) per share | (2.0)             | (2.1)   | (2.2)   | (2.2)   | (2.2)   | (2.2)   | (2.2)   | (2.2)   | (2.2)   | (2.2)   | (2.1)   | (2.1)   | (2.1)   |
| Adjusted tangible book value per share                            | [a] / [b] \$ 39.7 | \$ 38.8 | \$ 36.2 | \$ 36.1 | \$ 34.6 | \$ 33.7 | \$ 32.8 | \$ 35.1 | \$ 34.7 | \$ 33.6 | \$ 31.4 | \$ 29.9 | \$ 28.6 |

**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, (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, as applicable for respective periods.

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.

## Calculated Impact to Adjusted TBVPS from CECL Day-1

|  | 1Q 20             |
|--|-------------------|
| <i>Numerator</i> (\$ billions)                                 |                   |
| Adjusted tangible book value                                   | \$ 12.2           |
| CECL Day-1 impact to retained earnings, net of tax             | 1.0               |
| Adjusted tangible book value less CECL Day-1 impact            | [a] \$ 13.3       |
| <i>Denominator</i>   |                   |
| Issued shares outstanding (period-end, thousands)              | [b] 373,155       |
| <i>Metric</i>  |                   |
| Adjusted TBVPS   | \$ 32.8           |
| CECL Day-1 impact to retained earnings, net of tax per share   | 2.7               |
| Adjusted tangible book value, less CECL Day-1 impact per share | [a] / [b] \$ 35.5 |

**Ally adopted CECL on January 1, 2020.** Upon implementation of CECL Ally recognized a reduction to our opening retained earnings balance of approximately \$1.0 billion, net of income tax, which reflects a pre-tax increase to the allowance for loan losses of approximately \$1.3 billion. This increase is almost exclusively driven by our consumer automotive loan portfolio.

# GAAP to Core Results: Core ROTCE - Quarterly

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

|   | QUARTERLY TREND    |                |                |                |                |                |                 |                |                |                |                |                |                |              |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
|   | 3Q 21              | 2Q 21          | 1Q 21          | 4Q 20          | 3Q 20          | 2Q 20          | 1Q 20           | 4Q 19          | 3Q 19          | 2Q 19          | 1Q 19          | 4Q 18          | 3Q 18          |              |
| <i>Numerator</i> (\$ millions)  |                    |                |                |                |                |                |                 |                |                |                |                |                |                |              |
| <b>GAAP net income / (loss) attributable to common shareholders</b>                         | \$ 683             | \$ 900         | \$ 796         | \$ 687         | \$ 476         | \$ 241         | \$ (319)        | \$ 378         | \$ 381         | \$ 582         | \$ 374         | \$ 290         | \$ 374         |              |
| Discontinued operations, net of tax   | -                  | (1)            | -              | -              | -              | 1              | -               | 3              | -              | 2              | 1              | (1)            | -              |              |
| Core OID  | 9                  | 9              | 10             | 9              | 9              | 9              | 8               | 8              | 7              | 7              | 7              | 23             | 22             |              |
| Repositioning Items   | 52                 | 70             | -              | -              | -              | 50             | -               | -              | -              | -              | -              | -              | -              |              |
| Change in fair value of equity securities   | 65                 | (19)           | (17)           | (111)          | (13)           | (90)           | 185             | (29)           | 11             | (2)            | (70)           | 95             | (6)            |              |
| Tax on Core OID, Repo & change in fair value of equity securities<br>(assumes 21% tax rate) | (26)               | (13)           | 1              | 21             | 1              | 17             | (41)            | 4              | (4)            | (1)            | 13             | (25)           | (3)            |              |
| Significant discrete tax items & other  | -                  | (78)           | -              | -              | -              | -              | -               | -              | -              | (201)          | -              | -              | -              |              |
| <b>Core net income / loss attributable to common shareholders</b>                           | <b>[a] \$ 782</b>  | <b>\$ 868</b>  | <b>\$ 790</b>  | <b>\$ 606</b>  | <b>\$ 473</b>  | <b>\$ 228</b>  | <b>\$ (166)</b> | <b>\$ 364</b>  | <b>\$ 396</b>  | <b>\$ 387</b>  | <b>\$ 325</b>  | <b>\$ 382</b>  | <b>\$ 386</b>  |              |
| <i>Denominator</i> (Average, \$ billions)   |                    |                |                |                |                |                |                 |                |                |                |                |                |                |              |
| <b>GAAP shareholder's equity</b>  | \$ 17.4            | \$ 16.1        | \$ 14.7        | \$ 14.4        | \$ 14.0        | \$ 13.7        | \$ 14.0         | \$ 14.4        | \$ 14.4        | \$ 14.0        | \$ 13.5        | \$ 13.2        | \$ 13.1        |              |
| less: Preferred equity  | (2.3)              | (1.2)          | -              | -              | -              | -              | -               | -              | -              | -              | -              | -              | -              |              |
| <b>GAAP common shareholder's equity</b>   | \$ 15.1            | \$ 14.9        | \$ 14.7        | \$ 14.4        | \$ 14.0        | \$ 13.7        | \$ 14.0         | \$ 14.4        | \$ 14.4        | \$ 14.0        | \$ 13.5        | \$ 13.2        | \$ 13.1        |              |
| Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")               | (0.4)              | (0.4)          | (0.4)          | (0.4)          | (0.4)          | (0.4)          | (0.4)           | (0.4)          | (0.3)          | (0.3)          | (0.3)          | (0.3)          | (0.3)          |              |
| Tangible common equity  | \$ 14.7            | \$ 14.5        | \$ 14.3        | \$ 14.0        | \$ 13.6        | \$ 13.3        | \$ 13.5         | \$ 14.1        | \$ 14.1        | \$ 13.7        | \$ 13.2        | \$ 12.9        | \$ 12.8        |              |
| Core OID balance  | (0.9)              | (1.0)          | (1.0)          | (1.0)          | (1.0)          | (1.1)          | (1.1)           | (1.1)          | (1.1)          | (1.1)          | (1.1)          | (1.1)          | (1.1)          |              |
| Net deferred tax asset ("DTA")  | (0.9)              | (0.6)          | (0.1)          | (0.1)          | (0.1)          | (0.2)          | (0.1)           | (0.0)          | (0.1)          | (0.1)          | (0.2)          | (0.4)          | (0.4)          |              |
| <b>Normalized common equity</b>   | <b>[b] \$ 12.9</b> | <b>\$ 13.0</b> | <b>\$ 13.1</b> | <b>\$ 12.9</b> | <b>\$ 12.4</b> | <b>\$ 12.0</b> | <b>\$ 12.3</b>  | <b>\$ 13.0</b> | <b>\$ 12.9</b> | <b>\$ 12.5</b> | <b>\$ 11.9</b> | <b>\$ 11.4</b> | <b>\$ 11.2</b> |              |
| <b>Core Return on Tangible Common Equity</b>  | <b>[a] / [b]</b>   | <b>24.2%</b>   | <b>26.7%</b>   | <b>24.1%</b>   | <b>18.7%</b>   | <b>15.2%</b>   | <b>7.6%</b>     | <b>-5.4%</b>   | <b>11.2%</b>   | <b>12.3%</b>   | <b>12.4%</b>   | <b>10.9%</b>   | <b>13.4%</b>   | <b>13.7%</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 and other which are primarily related to the extinguishment of high cost legacy debt, strategic activities and significant other one-time items, 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, as applicable for respective periods.
- (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 - Annual

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

### Numerator (\$ millions)

|   | FY 2020             | FY 2019         | FY 2018         | FY 2017         | FY 2016         | FY 2015       | FY 2014       |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|
| <b>GAAP net income / (loss) attributable to common shareholders</b>                                       | \$ 1,085            | \$ 1,715        | \$ 1,263        | \$ 929          | \$ 1,037        | \$ (1,282)    | \$ 882        |
| Discontinued operations, net of tax   | 1                   | 6               | -               | (3)             | 44              | (392)         | (225)         |
| Core OID  | 36                  | 29              | 86              | 71              | 59              | 59            | 186           |
| Repositioning items   | 50                  | -               | -               | -               | 11              | 349           | 187           |
| Change in fair value of equity securities   | (29)                | (89)            | 121             | -               | -               | -             | -             |
| Tax on Core OID & change in fair value of equity securities<br>(tax rate 21% starting in 1Q18, 35% prior) | (1)                 | 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 / (loss) attributable to common shareholders</b>                                       | <b>[a] \$ 1,141</b> | <b>\$ 1,472</b> | <b>\$ 1,427</b> | <b>\$ 1,091</b> | <b>\$ 1,043</b> | <b>\$ 990</b> | <b>\$ 800</b> |

### Denominator (Average, \$ billions)

|   |                       |                |                |                |                |                |                |
|---|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>GAAP shareholder's equity</b>  | \$ 14.1               | \$ 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)                 | (0.4)          | (0.3)          | (0.3)          | (0.2)          | (0.0)          | (0.0)          |
| Tangible common equity  | \$ 13.7               | \$ 13.5        | \$ 13.1        | \$ 13.1        | \$ 12.9        | \$ 13.4        | \$ 13.5        |
| Core OID balance  | (1.0)                 | (1.1)          | (1.1)          | (1.2)          | (1.3)          | (1.3)          | (1.4)          |
| Net deferred tax asset ("DTA")  | (0.1)                 | (0.2)          | (0.4)          | (0.7)          | (1.2)          | (1.6)          | (1.9)          |
| <b>Normalized common equity</b>   | <b>[b] \$ 12.6</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] 9.1%</b> | <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 and other which are primarily related to the extinguishment of high cost legacy debt, strategic activities and significant other one-time items, 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, as applicable for respective periods.
- (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 - Quarterly

## Adjusted Efficiency Ratio

*Numerator* (\$ millions)

### GAAP noninterest expense

Rep and warrant expense

Insurance expense

Repositioning items

### Adjusted noninterest expense for efficiency ratio

*Denominator* (\$ millions)

### Total net revenue

Core OID

Repositioning items

Insurance revenue

### Adjusted net revenue for the efficiency ratio

### Adjusted Efficiency Ratio

|  | QUARTERLY TREND        |                 |                 |                 |                 |
|--|------------------------|-----------------|-----------------|-----------------|-----------------|
|  | 3Q 21                  | 2Q 21           | 1Q 21           | 4Q 20           | 3Q 20           |
| <b>GAAP noninterest expense</b>                          | \$ 1,002               | \$ 1,075        | \$ 943          | \$ 1,023        | \$ 905          |
| Rep and warrant expense                                  | -                      | -               | -               | 0               | -               |
| Insurance expense  | (273)                  | (272)           | (253)           | (246)           | (268)           |
| Repositioning items                                      | -                      | -               | -               | -               | -               |
| <b>Adjusted noninterest expense for efficiency ratio</b> | <b>[a] \$ 729</b>      | <b>\$ 803</b>   | <b>\$ 690</b>   | <b>\$ 777</b>   | <b>\$ 637</b>   |
| <b>Total net revenue</b>                                 | <b>\$ 1,985</b>        | <b>\$ 2,085</b> | <b>\$ 1,937</b> | <b>\$ 1,981</b> | <b>\$ 1,684</b> |
| Core OID   | 9                      | 9               | 10              | 9               | 9               |
| Repositioning items                                      | 52                     | 70              | -               | -               | -               |
| Insurance revenue  | (297)                  | (359)           | (394)           | (429)           | (346)           |
| <b>Adjusted net revenue for the efficiency ratio</b>     | <b>[b] \$ 1,749</b>    | <b>\$ 1,805</b> | <b>\$ 1,553</b> | <b>\$ 1,561</b> | <b>\$ 1,347</b> |
| <b>Adjusted Efficiency Ratio</b>                         | <b>[a] / [b] 41.7%</b> | <b>44.5%</b>    | <b>44.4%</b>    | <b>49.8%</b>    | <b>47.3%</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 and other which are primarily related to the extinguishment of high-cost legacy debt, strategic activities and significant other one-time items, as applicable for respective periods.
- (2) In the denominator, total net revenue is adjusted for Core OID and Insurance segment revenue. See page 18 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance segment.

# Non-GAAP Reconciliation – Core Income

| (\$ millions)                              | 3Q 21         |             |   |               |                         | 2Q 21           |             |   |               |                         | 3Q 20          |             |   |               |                         |
|--|---------------|-------------|---|---------------|-------------------------|-----------------|-------------|---|---------------|-------------------------|----------------|-------------|---|---------------|-------------------------|
|  | GAAP          | Core OID    | Change in fair value of equity securities | Repositioning | Non-GAAP <sup>(1)</sup> | GAAP            | Core OID    | Change in fair value of equity securities | Repositioning | Non-GAAP <sup>(1)</sup> | GAAP           | Core OID    | Change in fair value of equity securities | Repositioning | Non-GAAP <sup>(1)</sup> |
| <b>Consolidated Ally</b>                   |               |             |   |               |                         |                 |             |   |               |                         |                |             |   |               |                         |
| Net financing revenue                      | \$ 1,594      | \$ 9        | \$ -                                      | \$ -          | \$ 1,603                | \$ 1,547        | \$ 9        | \$ -                                      | \$ -          | \$ 1,556                | \$ 1,200       | \$ 9        | \$ -                                      | \$ -          | \$ 1,209                |
| Total other revenue                        | 391           | -           | 65  | 52            | 507                     | 538             | -           | (19)                                      | 70            | 588                     | 484            | -           | (13)                                      | -             | 471                     |
| Provision for credit losses                | 76            | -           | -   | -             | 76                      | (32)            | -           | -   | -             | (32)                    | 147            | -           | -   | -             | 147                     |
| Noninterest expense                        | 1,002         | -           | -   | -             | 1,002                   | 1,075           | -           | -   | -             | 1,075                   | 905            | -           | -   | -             | 905                     |
| <b>Pre-tax income</b>                      | <b>\$ 907</b> | <b>\$ 9</b> | <b>\$ 65</b>                              | <b>\$ 52</b>  | <b>\$ 1,032</b>         | <b>\$ 1,042</b> | <b>\$ 9</b> | <b>\$ (19)</b>                            | <b>\$ 70</b>  | <b>\$ 1,102</b>         | <b>\$ 632</b>  | <b>\$ 9</b> | <b>\$ (13)</b>                            | <b>\$ -</b>   | <b>\$ 628</b>           |
| <b>Corporate / Other</b>                   |               |             |   |               |                         |                 |             |   |               |                         |                |             |   |               |                         |
| Net financing revenue                      | \$ 138        | \$ 9        | \$ -                                      | \$ -          | \$ 147                  | \$ 99           | \$ 9        | \$ -                                      | \$ -          | \$ 108                  | \$ (15)        | \$ 9        | \$ -                                      | \$ -          | \$ (6)                  |
| Total other revenue                        | 12            | -           | 1   | 52            | 64                      | 78              | -           | (1)                                       | 70            | 147                     | 40             | -           | -   | -             | 40                      |
| Provision for credit losses                | 16            | -           | -   | -             | 16                      | 4               | -           | -   | -             | 4                       | 18             | -           | -   | -             | 18                      |
| Noninterest expense                        | 143           | -           | -   | -             | 143                     | 230             | -           | -   | -             | 230                     | 105            | -           | -   | -             | 105                     |
| <b>Pre-tax income</b>                      | <b>\$ (9)</b> | <b>\$ 9</b> | <b>\$ 1</b>                               | <b>\$ 52</b>  | <b>\$ 52</b>            | <b>\$ (57)</b>  | <b>\$ 9</b> | <b>\$ (1)</b>                             | <b>\$ 70</b>  | <b>\$ 21</b>            | <b>\$ (98)</b> | <b>\$ 9</b> | <b>\$ -</b>                               | <b>\$ -</b>   | <b>\$ (89)</b>          |
| <b>Insurance</b>                           |               |             |   |               |                         |                 |             |   |               |                         |                |             |   |               |                         |
| Premiums, service revenue earned and other | \$ 282        | \$ -        | \$ -                                      | \$ -          | \$ 282                  | \$ 283          | \$ -        | \$ -                                      | \$ -          | \$ 283                  | \$ 279         | \$ -        | \$ -                                      | \$ -          | \$ 279                  |
| Losses and loss adjustment expenses        | 69            | -           | -   | -             | 69                      | 74              | -           | -   | -             | 74                      | 85             | -           | -   | -             | 85                      |
| Acquisition and underwriting expenses      | 204           | -           | -   | -             | 204                     | 198             | -           | -   | -             | 198                     | 183            | -           | -   | -             | 183                     |
| Investment income and other                | 15            | -           | 65  | -             | 80                      | 76              | -           | (20)                                      | -             | 56                      | 67             | -           | (13)                                      | -             | 54                      |
| <b>Pre-tax income</b>                      | <b>\$ 24</b>  | <b>\$ -</b> | <b>\$ 65</b>                              | <b>\$ -</b>   | <b>\$ 89</b>            | <b>\$ 87</b>    | <b>\$ -</b> | <b>\$ (20)</b>                            | <b>\$ -</b>   | <b>\$ 67</b>            | <b>\$ 78</b>   | <b>\$ -</b> | <b>\$ (13)</b>                            | <b>\$ -</b>   | <b>\$ 65</b>            |
| <b>Corporate Finance</b>                   |               |             |   |               |                         |                 |             |   |               |                         |                |             |   |               |                         |
| Net financing revenue                      | \$ 77         | \$ -        | \$ -                                      | \$ -          | \$ 77                   | \$ 77           | \$ -        | \$ -                                      | \$ -          | \$ 77                   | \$ 75          | \$ -        | \$ -                                      | \$ -          | \$ 75                   |
| Total other revenue                        | 16            | -           | (1)                                       | -             | 15                      | 33              | -           | 1   | -             | 34                      | 9              | -           | (1)                                       | -             | 8                       |
| Provision for credit losses                | 5             | -           | -   | -             | 5                       | (13)            | -           | -   | -             | (13)                    | 1              | -           | -   | -             | 1                       |
| Noninterest expense                        | 27            | -           | -   | -             | 27                      | 28              | -           | -   | -             | 28                      | 23             | -           | -   | -             | 23                      |
| <b>Pre-tax income</b>                      | <b>\$ 61</b>  | <b>\$ -</b> | <b>\$ (1)</b>                             | <b>\$ -</b>   | <b>\$ 60</b>            | <b>\$ 95</b>    | <b>\$ -</b> | <b>\$ 1</b>                               | <b>\$ -</b>   | <b>\$ 96</b>            | <b>\$ 60</b>   | <b>\$ -</b> | <b>\$ (1)</b>                             | <b>\$ -</b>   | <b>\$ 59</b>            |

(1) Non-GAAP line items walk to Core pre-tax income, a non-GAAP financial measure that adjusts pre-tax income. See page 30 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.

# Non-GAAP Reconciliations

| Net Financing Revenue (ex. Core OID)<br>(\$ millions) | QUARTERLY TREND     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 3Q 21               | 2Q 21           | 1Q 21           | 4Q 20           | 3Q 20           | 2Q 20           | 1Q 20           | 4Q 19           | 3Q 19           | 2Q 19           | 1Q 19           | 4Q 18           | 3Q 18           |
| GAAP Net Financing Revenue                            | \$ 1,594            | \$ 1,547        | \$ 1,372        | \$ 1,303        | \$ 1,200        | \$ 1,054        | \$ 1,146        | \$ 1,156        | \$ 1,188        | \$ 1,157        | \$ 1,132        | \$ 1,140        | \$ 1,107        |
| Core OID  | 9                   | 9               | 10              | 9               | 9               | 9               | 8               | 8               | 7               | 7               | 7               | 23              | 22              |
| <b>Net Financing Revenue (ex. Core OID)</b>           | <b>[a] \$ 1,603</b> | <b>\$ 1,556</b> | <b>\$ 1,382</b> | <b>\$ 1,312</b> | <b>\$ 1,209</b> | <b>\$ 1,063</b> | <b>\$ 1,154</b> | <b>\$ 1,164</b> | <b>\$ 1,195</b> | <b>\$ 1,164</b> | <b>\$ 1,139</b> | <b>\$ 1,163</b> | <b>\$ 1,129</b> |

| Adjusted Other Revenue<br>(\$ millions)   | QUARTERLY TREND   |               |               |               |               |               |               |               |               |               |               |               |               |
|---|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 3Q 21             | 2Q 21         | 1Q 21         | 4Q 20         | 3Q 20         | 2Q 20         | 1Q 20         | 4Q 19         | 3Q 19         | 2Q 19         | 1Q 19         | 4Q 18         | 3Q 18         |
| GAAP Other Revenue                        | \$ 391            | \$ 538        | \$ 565        | \$ 678        | \$ 484        | \$ 555        | \$ 266        | \$ 487        | \$ 413        | \$ 395        | \$ 466        | \$ 298        | \$ 398        |
| Accelerated OID & repositioning items     | 52                | 70            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Change in fair value of equity securities | 65                | (19)          | (17)          | (111)         | (13)          | (90)          | 185           | (29)          | 11            | (2)           | (70)          | 95            | (6)           |
| <b>Adjusted Other Revenue</b>             | <b>[b] \$ 507</b> | <b>\$ 588</b> | <b>\$ 548</b> | <b>\$ 567</b> | <b>\$ 471</b> | <b>\$ 465</b> | <b>\$ 451</b> | <b>\$ 458</b> | <b>\$ 424</b> | <b>\$ 393</b> | <b>\$ 396</b> | <b>\$ 393</b> | <b>\$ 392</b> |

| Adjusted NIE (ex. Repositioning)<br>(\$ millions) | QUARTERLY TREND     |                 |               |                 |               |               |               |               |               |               |               |               |               |
|---|---------------------|-----------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 3Q 21               | 2Q 21           | 1Q 21         | 4Q 20           | 3Q 20         | 2Q 20         | 1Q 20         | 4Q 19         | 3Q 19         | 2Q 19         | 1Q 19         | 4Q 18         | 3Q 18         |
| GAAP Noninterest Expense                          | \$ 1,002            | \$ 1,075        | \$ 943        | \$ 1,023        | \$ 905        | \$ 985        | \$ 920        | \$ 880        | \$ 838        | \$ 881        | \$ 830        | \$ 804        | \$ 807        |
| Repositioning                                     | -                   | -               | -             | -               | -             | (50)          | -             | -             | -             | -             | -             | -             | -             |
| <b>Adjusted NIE (ex. Repositioning)</b>           | <b>[c] \$ 1,002</b> | <b>\$ 1,075</b> | <b>\$ 943</b> | <b>\$ 1,023</b> | <b>\$ 905</b> | <b>\$ 935</b> | <b>\$ 920</b> | <b>\$ 880</b> | <b>\$ 838</b> | <b>\$ 881</b> | <b>\$ 830</b> | <b>\$ 804</b> | <b>\$ 807</b> |

| Core Pre-Provision Net Revenue<br>(\$ millions) | QUARTERLY TREND             |                 |               |               |               |               |               |               |               |               |               |               |               |
|---|-----------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 3Q 21                       | 2Q 21           | 1Q 21         | 4Q 20         | 3Q 20         | 2Q 20         | 1Q 20         | 4Q 19         | 3Q 19         | 2Q 19         | 1Q 19         | 4Q 18         | 3Q 18         |
| Pre-Provision Net Revenue                       | [x]+[y]-[z] 983             | 1,010           | 994           | 958           | 779           | 624           | 492           | 763           | 763           | 671           | 768           | 634           | 698           |
| <b>Core Pre-Provision Net Revenue</b>           | <b>[a]+[b]-[c] \$ 1,108</b> | <b>\$ 1,070</b> | <b>\$ 987</b> | <b>\$ 856</b> | <b>\$ 775</b> | <b>\$ 593</b> | <b>\$ 686</b> | <b>\$ 742</b> | <b>\$ 782</b> | <b>\$ 676</b> | <b>\$ 705</b> | <b>\$ 752</b> | <b>\$ 714</b> |

| Adjusted Total Net Revenue<br>(\$ millions) | QUARTERLY TREND         |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 3Q 21                   | 2Q 21           | 1Q 21           | 4Q 20           | 3Q 20           | 2Q 20           | 1Q 20           | 4Q 19           | 3Q 19           | 2Q 19           | 1Q 19           | 4Q 18           | 3Q 18           |
| <b>Adjusted Total Net Revenue</b>           | <b>[a]+[b] \$ 2,110</b> | <b>\$ 2,145</b> | <b>\$ 1,930</b> | <b>\$ 1,879</b> | <b>\$ 1,680</b> | <b>\$ 1,528</b> | <b>\$ 1,606</b> | <b>\$ 1,622</b> | <b>\$ 1,620</b> | <b>\$ 1,557</b> | <b>\$ 1,535</b> | <b>\$ 1,556</b> | <b>\$ 1,521</b> |

| Original issue discount amortization expense<br>(\$ millions)               | QUARTERLY TREND |              |              |              |              |              |              |              |              |              |              |              |              |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 3Q 21           | 2Q 21        | 1Q 21        | 4Q 20        | 3Q 20        | 2Q 20        | 1Q 20        | 4Q 19        | 3Q 19        | 2Q 19        | 1Q 19        | 4Q 18        | 3Q 18        |
| Core original issue discount (Core OID) amortization expense <sup>(1)</sup> | \$ 9            | \$ 9         | \$ 10        | \$ 9         | \$ 9         | \$ 9         | \$ 8         | \$ 8         | \$ 7         | \$ 7         | \$ 7         | \$ 23        | \$ 22        |
| Other OID   | 3               | 3            | 3            | 3            | 3            | 4            | 3            | 3            | 3            | 3            | 3            | 2            | 4            |
| <b>GAAP original issue discount amortization expense</b>                    | <b>\$ 12</b>    | <b>\$ 12</b> | <b>\$ 12</b> | <b>\$ 13</b> | <b>\$ 12</b> | <b>\$ 12</b> | <b>\$ 11</b> | <b>\$ 11</b> | <b>\$ 11</b> | <b>\$ 10</b> | <b>\$ 10</b> | <b>\$ 26</b> | <b>\$ 25</b> |

| Outstanding original issue discount balance<br>(\$ millions)        | QUARTERLY TREND |                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 3Q 21           | 2Q 21           | 1Q 21             | 4Q 20             | 3Q 20             | 2Q 20             | 1Q 20             | 4Q 19             | 3Q 19             | 2Q 19             | 1Q 19             | 4Q 18             | 3Q 18             |
| Core outstanding original issue discount balance (Core OID balance) | \$ (900)        | \$ (952)        | \$ (1,018)        | \$ (1,027)        | \$ (1,037)        | \$ (1,046)        | \$ (1,055)        | \$ (1,063)        | \$ (1,071)        | \$ (1,078)        | \$ (1,085)        | \$ (1,092)        | \$ (1,115)        |
| Other outstanding OID balance                                       | (29)            | (32)            | (34)              | (37)              | (48)              | (46)              | (34)              | (37)              | (40)              | (44)              | (39)              | (43)              | (46)              |
| <b>GAAP outstanding original issue discount balance</b>             | <b>\$ (929)</b> | <b>\$ (983)</b> | <b>\$ (1,052)</b> | <b>\$ (1,064)</b> | <b>\$ (1,084)</b> | <b>\$ (1,092)</b> | <b>\$ (1,089)</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> |

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.

Core pre-provision net revenue (Core PPNR) is a non-GAAP financial measure calculated by adjusting Core pre-tax income to add back provision for credit losses. Management believes that Core PPNR is a helpful financial metric because it enables the reader to assess the core business' ability to generate earnings to cover credit losses

'Repositioning' is primarily related to the extinguishment of high-cost legacy debt, strategic activities and significant other one-time items.