

# Ally Financial Inc.

## 4Q 2017 Earnings Review

January 30, 2018



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# Forward-Looking Statements and Additional Information



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 our statements about targets and expectations for various financial and operating metrics. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “pursue,” “seek,” “continue,” “estimate,” “project,” “outlook,” “forecast,” “potential,” “target,” “objective,” “trend,” “plan,” “goal,” “initiative,” “priorities,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results. All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements are described in our Annual Report on Form 10-K for the year ended December 31, 2016, 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 generally accepted accounting principles (“GAAP”). These non-GAAP financial measures may be useful to investors but should not be viewed in isolation from, or as a substitute for, GAAP results. Differences between non-GAAP financial measures and comparable GAAP financial measures are reconciled in the presentation.

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

# GAAP and Core Results - Annual



	2017	2016	2015
GAAP net income attributable to common shareholders ("NIAC")	\$ 929	\$ 1,037	\$ (1,282)
Core net income attributable to common shareholders <sup>(1)(2)</sup>	\$ 1,091	\$ 1,043	\$ 967
GAAP earnings per common share ("EPS") ( <i>diluted, NIAC</i> )	\$ 2.04	\$ 2.15	\$ (2.66)
Adjusted EPS <sup>(1)(3)</sup>	\$ 2.39	\$ 2.16	\$ 2.00
Return (net income) on GAAP shareholder's equity	6.9%	8.0%	8.9%
Core ROTCE <sup>(1)(4)</sup>	9.8%	10.0%	9.4%
GAAP common shareholder's equity per share	\$ 30.9	\$ 28.5	\$ 26.4
Adjusted tangible book value per share <sup>(1)(5)</sup>	\$ 28.1	\$ 26.2	\$ 24.6
Efficiency Ratio	53.9%	54.1%	56.8%
Adjusted Efficiency Ratio <sup>(1)(6)</sup>	45.8%	45.4%	45.3%

- (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 U.S. GAAP measures: Adjusted Earnings per Share (Adjusted EPS), Core Pre-Tax Income, Core Net Income Attributable to Common Shareholders, Core Return on Tangible Common Equity (Core ROTCE), Estimated Retail Auto Originated Yield, Adjusted Efficiency Ratio, fully phased-in Common Equity Tier 1 (CET1) capital, Adjusted Total Net Revenue, Adjusted Other Revenue, Core original issue discount (Core OID) amortization expense and Core outstanding original issue discount balance (Core OID balance), Net Financing Revenue, excluding Core OID and Adjusted Tangible Book Value per Share (Adjusted TBVPS). These measures are used by management and we believe are useful to investors in assessing the company's operating performance and capital. Refer to the Definitions of Non-GAAP Financial Measures and Other Key Terms, and Reconciliation to GAAP later in this document.
- (2) Core net income attributable to common shareholders is a non-GAAP financial measure that serves as the numerator in the calculations of Adjusted EPS and Core ROTCE and that, like those measures, is believed by management to help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See pages 36 and 37 for calculation methodology and details.
- (3) Adjusted earnings per share (Adjusted EPS) is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See page 37 for calculation methodology and details.
- (4) Core return on tangible common equity (Core ROTCE) is a non-GAAP financial measure that management believes is helpful for readers to better understand the ongoing ability of the company to generate returns on its equity base that supports core operations. For purposes of this calculation, tangible common equity is adjusted for Core OID balance and the net deferred tax asset. See page 41 for calculation methodology and details.
- (5) Adjusted tangible book value per share (Adjusted TBVPS) is a non-GAAP financial measure that reflects the book value of equity attributable to shareholders even if tax-effected Core OID balance were accelerated immediately through the financial statements. As a result, management believes Adjusted TBVPS provides the reader with an assessment of value that is more conservative than GAAP common shareholder's equity per share. See page 39 for calculation methodology and details.
- (6) Adjusted efficiency ratio is a non-GAAP financial measure that management believes is helpful to readers in comparing the efficiency of its core banking and lending businesses with those of its peers. Adjusted efficiency ratio generally adjusts for Insurance segment revenue and expense, repositioning items, rep and warrant expense and Core OID. See page 43 for calculation methodology and details.

# GAAP and Core Results - Quarterly



	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
GAAP net income attributable to common shareholders ("NIAC")	\$ 181	\$ 282	\$ 252	\$ 214	\$ 248
Core net income attributable to common shareholders <sup>(1)(2)</sup>	\$ 310	\$ 292	\$ 265	\$ 224	\$ 256
GAAP earnings per common share ("EPS") ( <i>diluted, NIAC</i> )	\$ 0.41	\$ 0.63	\$ 0.55	\$ 0.46	\$ 0.52
Adjusted EPS <sup>(1)(3)</sup>	\$ 0.70	\$ 0.65	\$ 0.58	\$ 0.48	\$ 0.54
Return (net income) on GAAP shareholder's equity	5.3%	8.3%	7.5%	6.4%	7.4%
Core ROTCE <sup>(1)(4)</sup>	10.8%	10.3%	9.6%	8.2%	9.4%
GAAP common shareholder's equity per share	\$ 30.9	\$ 30.6	\$ 29.8	\$ 28.9	\$ 28.5
Adjusted tangible book value per share <sup>(1)(5)</sup>	\$ 28.1	\$ 28.2	\$ 27.4	\$ 26.6	\$ 26.2
Efficiency Ratio	52.2%	51.5%	55.7%	56.6%	52.7%
Adjusted Efficiency Ratio <sup>(1)(6)</sup>	46.4%	44.9%	43.7%	48.5%	46.4%

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- **Adjusted EPS<sup>(1)</sup> of \$2.39 up 11% YoY**
  - Excludes \$0.27 tax reform impact in 4Q
- **Total Net Revenue (Adj.)<sup>(1)</sup> of \$5.8 billion, up \$338 million YoY**
- **Continued strong deposit and customer growth**
  - \$14.2 billion total deposit growth and an increase of ~200k retail deposit customers
- **\$34.7 billion consumer auto originations at higher estimated risk-adjusted yields**
- **Completed regulatory normalization process**
  - Tier 1 Leverage Ratio restriction lifted and ability to book all eligible assets at Ally Bank
- **Increased common shareholder distributions by ~16% in CCAR 2017 capital plan**
- **Progress on product expansion initiatives**
  - Corporate Finance pre-tax earnings up 60% YoY
  - Ally Invest and Ally Home<sup>®</sup>

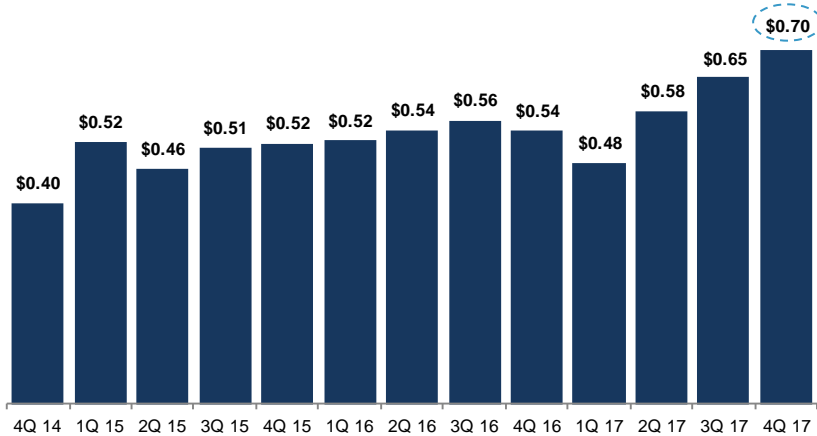
# 2017 Targets Achieved

Targets		Actuals	
Adjusted EPS <sup>(1)</sup> Growth	5 – 15%		11%
Core ROTCE <sup>(1)</sup>	10% +/-		9.8%
Adjusted Efficiency Ratio <sup>(1)</sup>	45 - 47%		45.8%
Retail Auto Net Charge-offs	1.4 – 1.6%		1.48%
Lease Yield	5.6 – 6.0%		6.4%
Deposit Growth	\$12+ billion		\$14.2 billion

# Core Metric Trend



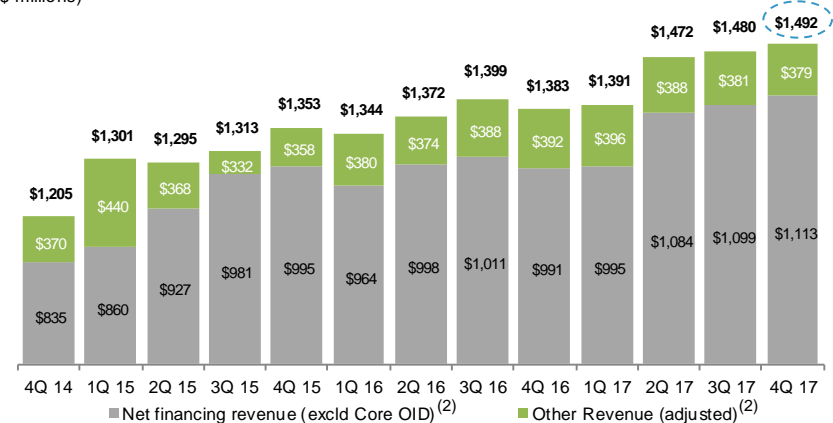
## Adjusted Earnings per Share<sup>(1)</sup>



(1) Represents a non-GAAP financial measure. See page 38 for details.

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

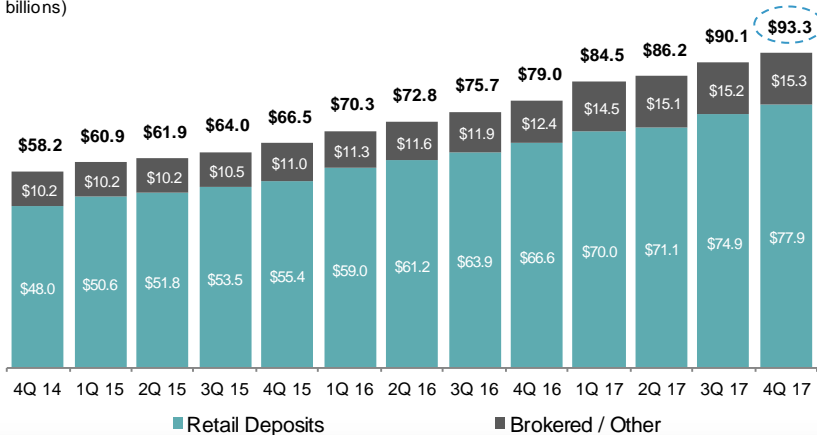
(\$ millions)



(2) Represents a non-GAAP financial measure. See page 47 for details.

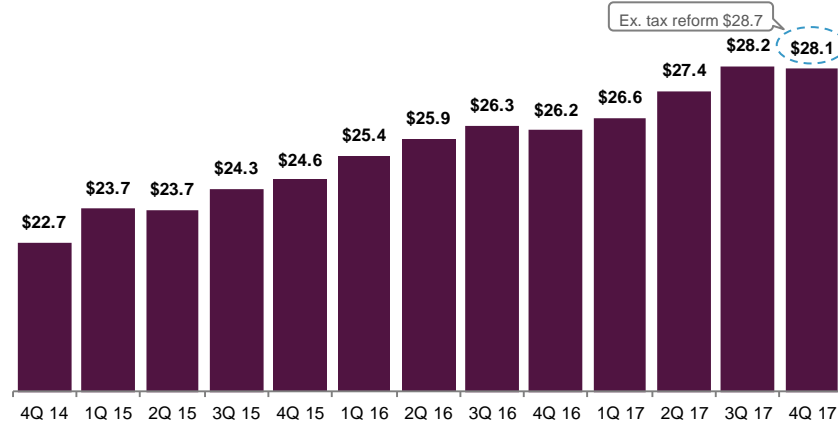
## Total Deposits

(\$ billions)



Note: Other includes mortgage escrow, dealer and other deposits

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



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

- ☐ **Deliver significant and sustainable growth in deposits and customers, while optimizing the cost of funds**
- ☐ **Maintain a leading, respected, and growing brand, while positioning as the pre-eminent digital bank**
- ☐ **Continue to enhance performance of Auto Finance and Insurance and position for the future**
- ☐ **Ensure culture remains aligned with relentless focus on customers, communities, associates, risk management and shareholders**
- ☐ **Gather scale in the expanded consumer products and Corporate Finance businesses**
- ☐ **Execute strong earnings growth path and expand shareholder returns**



## Employee and Community Investment

- **\$1,000 one-time bonus for eligible employees**
- **\$6 million increase in non-profit contributions in local communities**

## Potential Economic Activity Benefits

- **Support new and used vehicle sales**
- **Support used vehicle prices**
- **Increase consumer debt service ability**
- **Support home sales**
- **Increased savings and wealth creation**

## Expected Financial Benefits

- **Accelerated EPS growth**
- **ROE expansion**
- **Supports increased capital distributions**

# Tax Reform Financial Impact



4Q 2017	Long-term	Ongoing Effective Tax Rate	<ul style="list-style-type: none"> <li>Expect ETR of 23% - 24%</li> <li>Continue to opportunistically target tax strategies to reduce ETR post tax reform</li> </ul>
		Deferred Tax Asset	<ul style="list-style-type: none"> <li>\$119 million tax expense from change to US tax law</li> <li>Revaluation of deferred tax balances from 35% to 21%</li> </ul>
		Capital	<ul style="list-style-type: none"> <li>~0.05% reduction to CET1</li> <li>Net DTA write-down partially offset by lower disallowed DTA</li> </ul>
		Adjusted Tangible Book Value <sup>(1)</sup>	<p>The chart illustrates the components of Adjusted Tangible Book Value. It starts with 3Q 17 at \$28.18, adds Adjusted EPS of \$0.70, and then shows the Tax Reform Impact as a negative adjustment of \$0.38 (Core OID) and \$0.29 (DTA and LIHTC). Other adjustments of \$0.14 are also shown, leading to a final 4Q 17 value of \$28.07.</p>

1) Represents a non-GAAP financial measure. See page 40 for details.

2) 'Tax Reform Impact': \$(0.38) impact relates to changing the Core OID adjustment from a federal U.S. statutory effective tax rate of 35% to 21%; \$(0.29) primarily related to DTA write-down and includes activity related to LIHTC amortization. See pages 35 and 40 for more details.

3) 'Other' includes common dividends, other comprehensive income activity and additional-paid-in-capital activity

# Full Year and Fourth Quarter Financial Results



(\$ millions except per share data)	4Q 17	3Q 17	4Q 16	FY 2017	FY 2016
Net financing revenue (excluding Core OID) <sup>(1)</sup>	\$ 1,113	\$ 1,099	\$ 991	\$ 4,292	\$ 3,964
Core OID	(19)	(18)	(15)	(71)	(57)
Net financing revenue (as reported)	1,094	1,081	976	4,221	3,907
Other revenue	379	381	392	1,544	1,530
Provision for loan losses	294	314	267	1,148	917
Noninterest expenses	769	753	721	3,110	2,939
<b>Pre-tax income from continuing operations</b>	<b>\$ 410</b>	<b>\$ 395</b>	<b>\$ 380</b>	<b>\$ 1,507</b>	<b>\$ 1,581</b>
Income tax expense	231	115	134	581	470
Income (loss) from discontinued operations, net of tax	2	2	2	3	(44)
<b>Net income</b>	<b>\$ 181</b>	<b>\$ 282</b>	<b>\$ 248</b>	<b>\$ 929</b>	<b>\$ 1,067</b>
Preferred dividends	-	-	-	-	30
<b>Net income attributable to common shareholders</b>	<b>\$ 181</b>	<b>\$ 282</b>	<b>\$ 248</b>	<b>\$ 929</b>	<b>\$ 1,037</b>
	4Q 17	3Q 17	4Q 16	FY 2017	FY 2016
<b>GAAP EPS (diluted)</b>	<b>\$ 0.41</b>	<b>\$ 0.63</b>	<b>\$ 0.52</b>	<b>\$ 2.04</b>	<b>\$ 2.15</b>
Discontinued operations, net of tax	(0.00)	(0.00)	(0.00)	(0.01)	0.09
Core OID, net of tax	0.03	0.03	0.02	0.10	0.08
Significant discrete tax items <sup>(4)</sup> / repositioning <sup>(2)</sup>	0.27	-	-	0.26	(0.16)
<b>Adjusted EPS <sup>(3)</sup></b>	<b>\$ 0.70</b>	<b>\$ 0.65</b>	<b>\$ 0.54</b>	<b>\$ 2.39</b>	<b>\$ 2.16</b>
<b>Core ROTCE <sup>(3)</sup></b>	<b>10.8%</b>	<b>10.3%</b>	<b>9.4%</b>	<b>9.8%</b>	<b>10.0%</b>
<b>Adjusted Efficiency Ratio <sup>(3)</sup></b>	<b>46.4%</b>	<b>44.9%</b>	<b>46.4%</b>	<b>45.8%</b>	<b>45.4%</b>
<b>Effective Tax Rate <sup>(4)</sup></b>	<b>56.3%</b>	<b>29.1%</b>	<b>35.3%</b>	<b>38.6%</b>	<b>29.7%</b>

Ex. tax reform 27.4%

Note: numbers may not foot due to rounding

(1) Represents a non-GAAP financial measure. Excludes Core OID. See pages 36 and 46 for calculation methodology and details.

(2) Repositioning items are primarily related to the extinguishment of high-cost legacy debt and strategy activities. See pages 36 and 37 for calculation methodology and details.

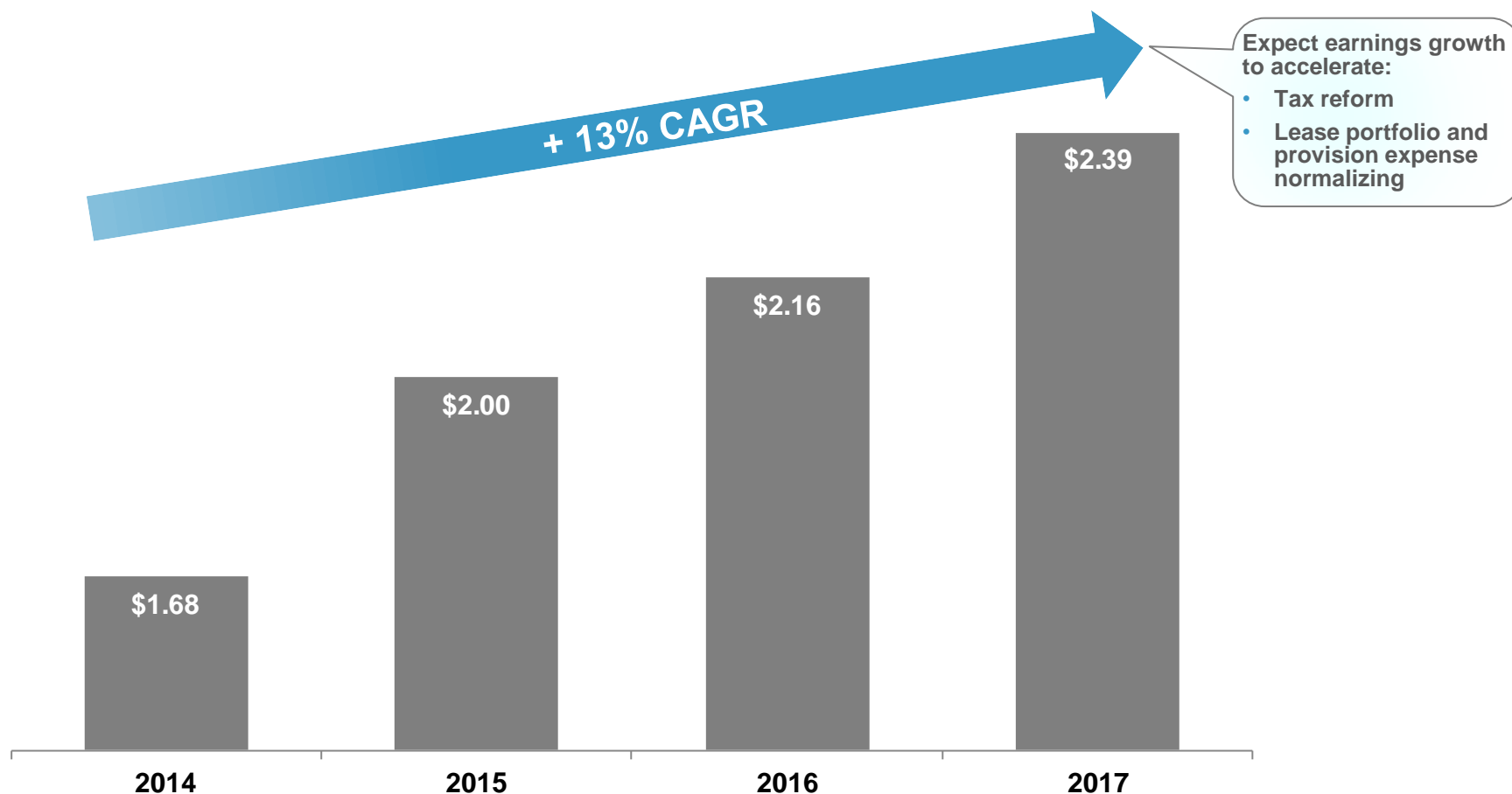
(3) Represents a non-GAAP financial measure. See pages 37, 38, 41, 42, 43 and 44 for calculation methodology and details.

(4) Significant discrete tax items do not relate to the operating performance of the core businesses. FY 2016 effective tax rate was impacted primarily by a \$98 million tax benefit in 2Q 16 from a tax reserve release related to a prior year federal tax return. FY 2017 effective tax rate was impacted primarily by a \$119 million revaluation of federal deferred tax assets and liabilities and related valuation allowance recorded in 4Q 17. See page 35 for more details on the 4Q 17 effective tax rate excluding tax reform.

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



Successfully navigated business transition to deliver consistent earnings growth



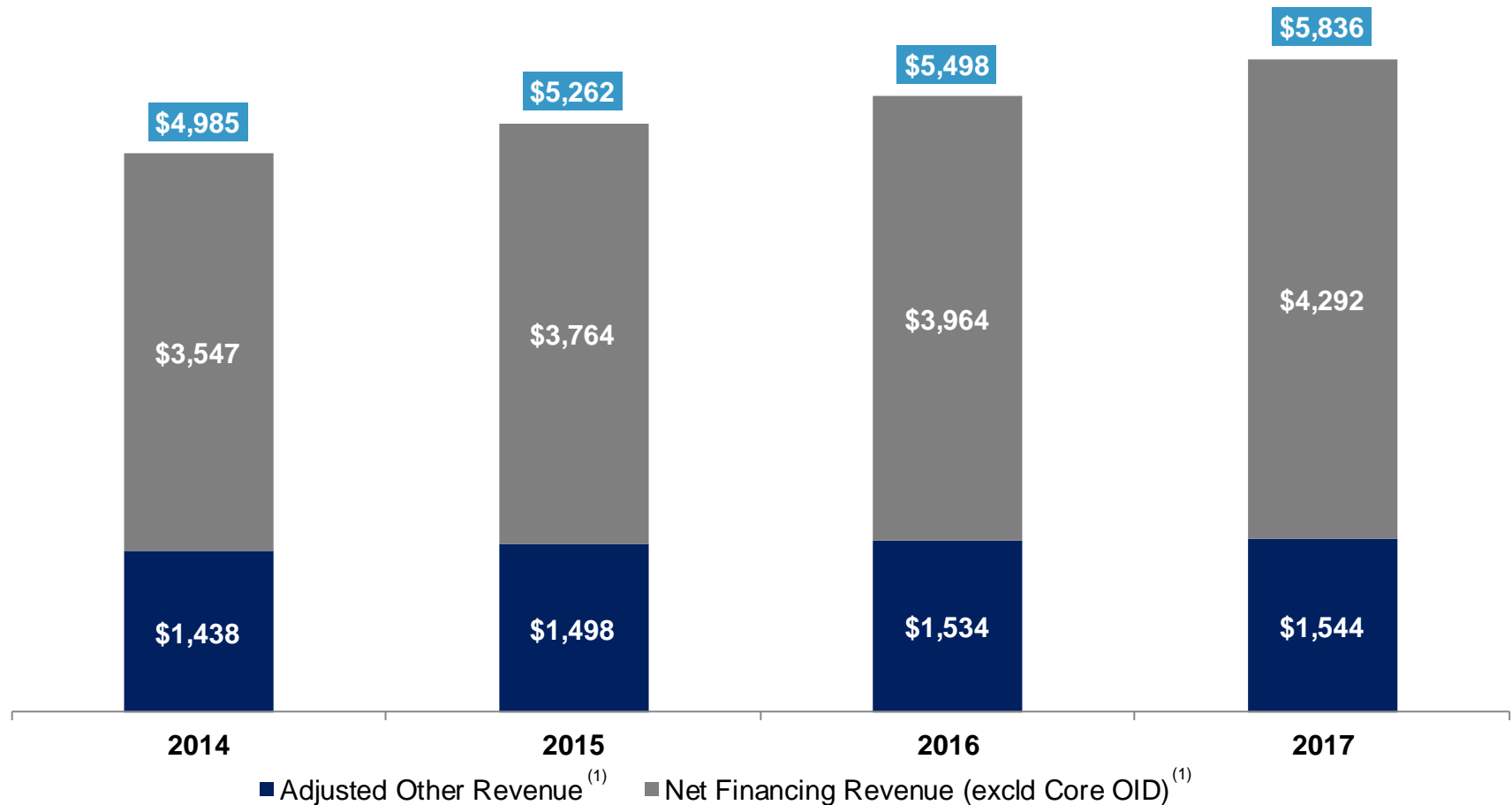
(1) Represents a non-GAAP financial measure. See page 37 for calculation methodology and details.

# Total Net Revenue (Adj.)<sup>(1)</sup>



Consistent revenue growth driven by deposit growth and balance sheet optimization

(\$ millions)



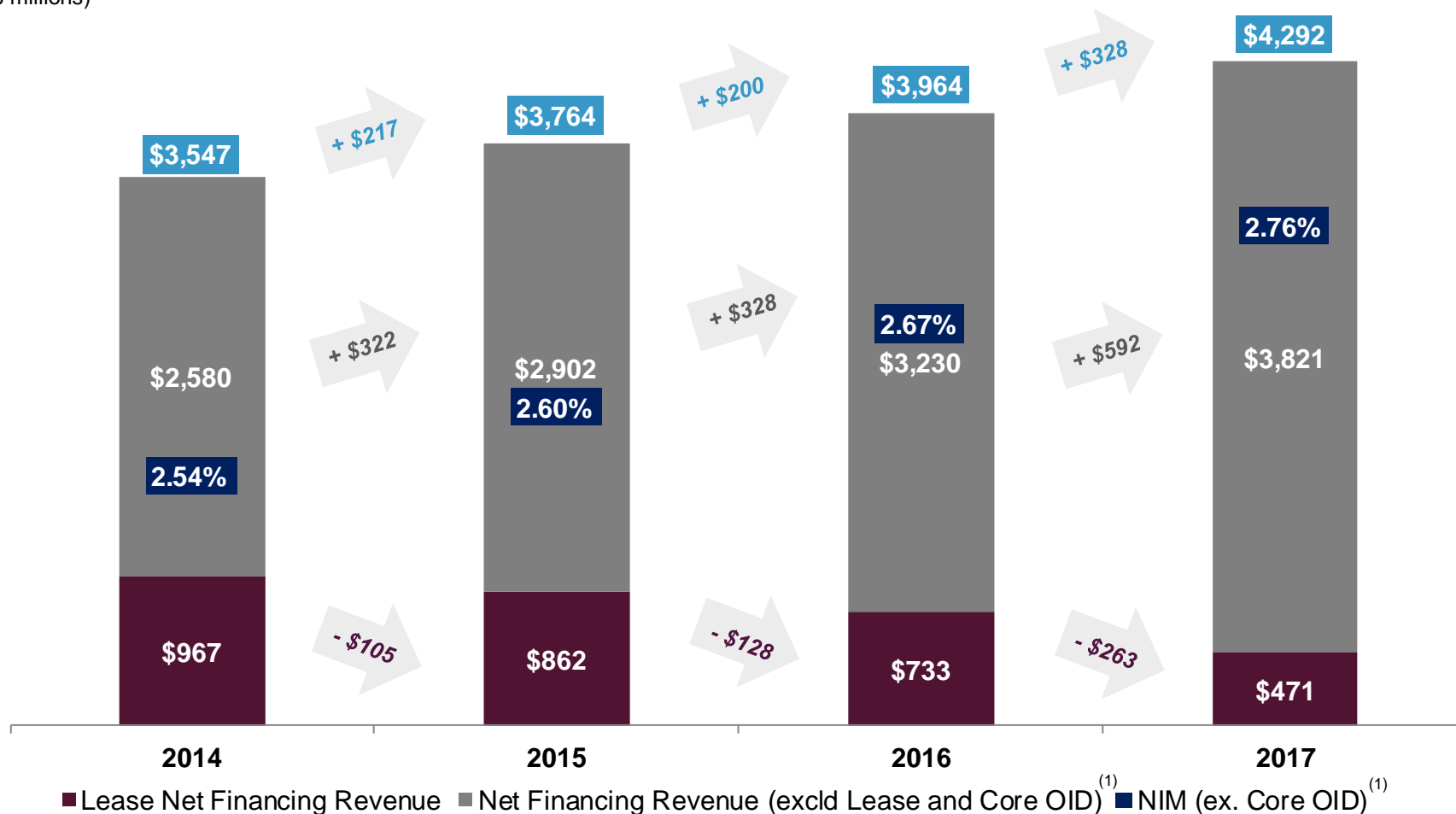
<sup>(1)</sup> Represents a non-GAAP financial measure. Excludes Core OID from Net Financing Revenue. Excludes activity related to the extinguishment of high-cost legacy debt from Other Revenue. See page 36, 46 and 47 for calculation methodology and details.

# Net Financing Revenue (excld Core OID)<sup>(1)</sup>



Successfully offsetting lease decline with more diversified asset mix

(\$ millions)



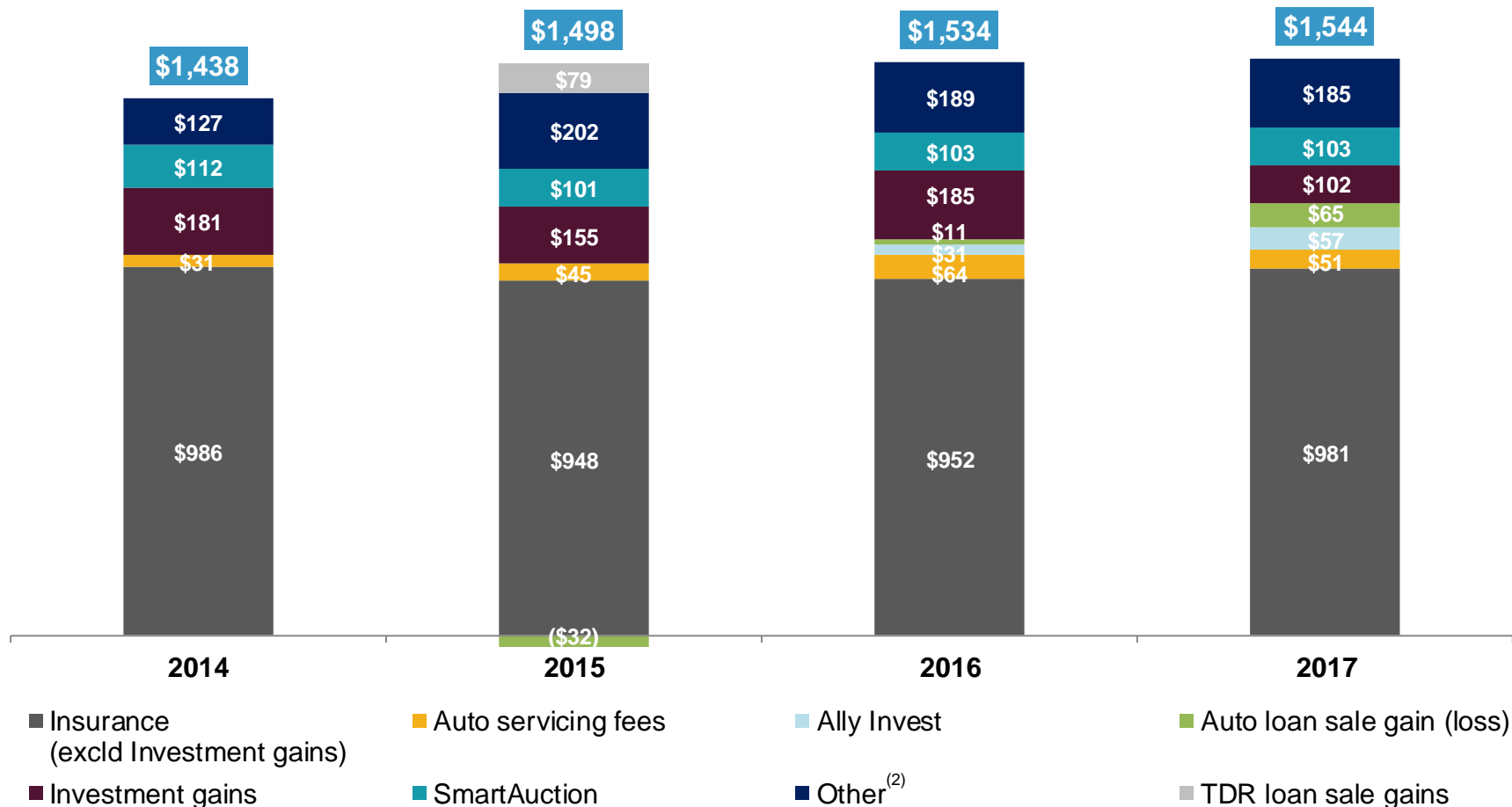
(1) Represents a non-GAAP financial measure. Excludes Core OID. See page 36 and 46 for calculation methodology and details.

# Other Revenue (Adj.)<sup>(1)</sup>



## Consistent noninterest income supported by Insurance and SmartAuction

(\$ millions)



(1) Represents a non-GAAP financial measure. Excludes activity related to the extinguishment of high-cost legacy debt. See page 36, 46 and 47 for calculation methodology and details.

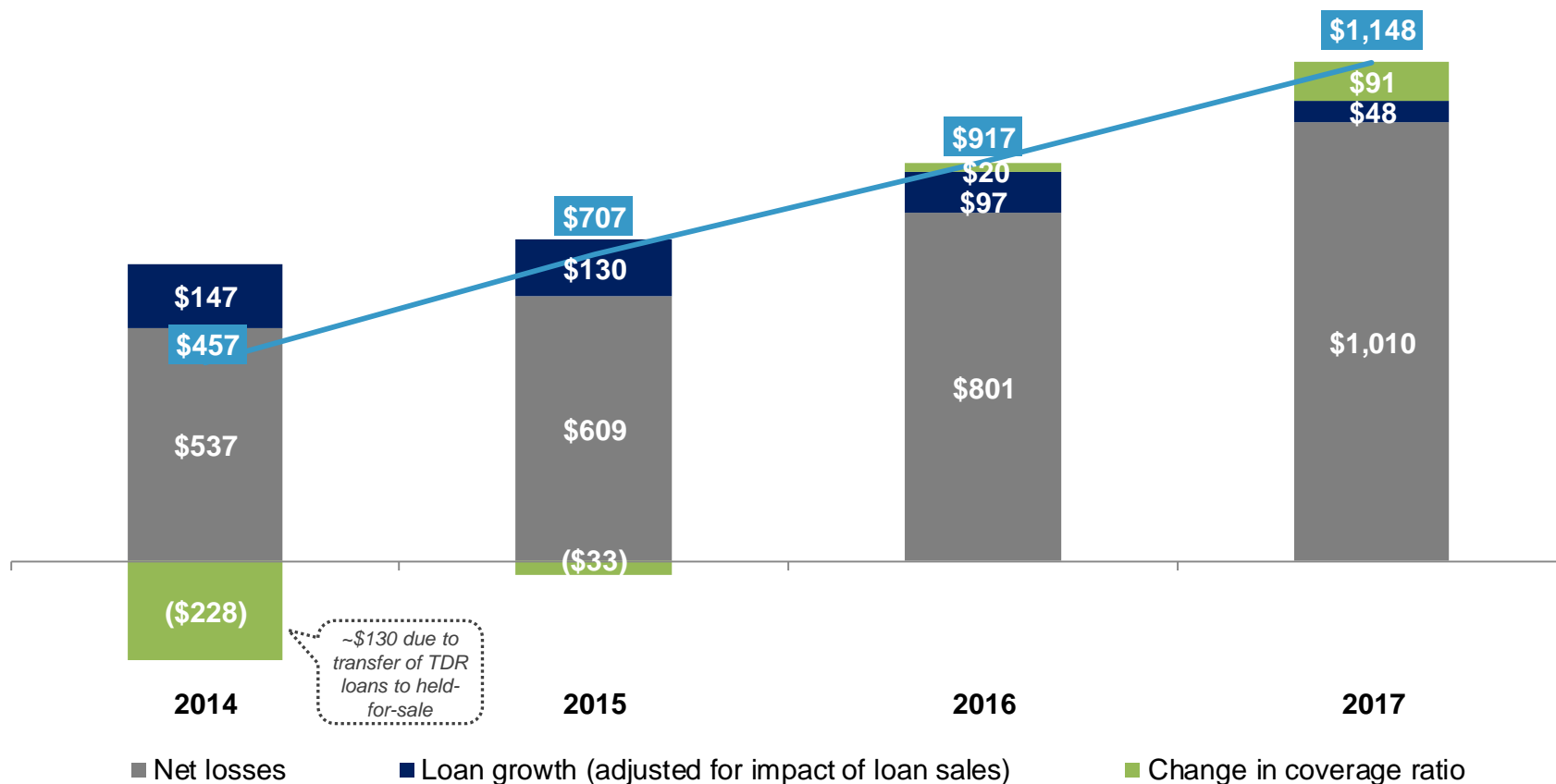
(2) "Other" includes late charges and other administrative fees, and other income, net of losses

# Provision Expense



## Provision expense up due to loan growth and asset mix transition

(\$ millions)



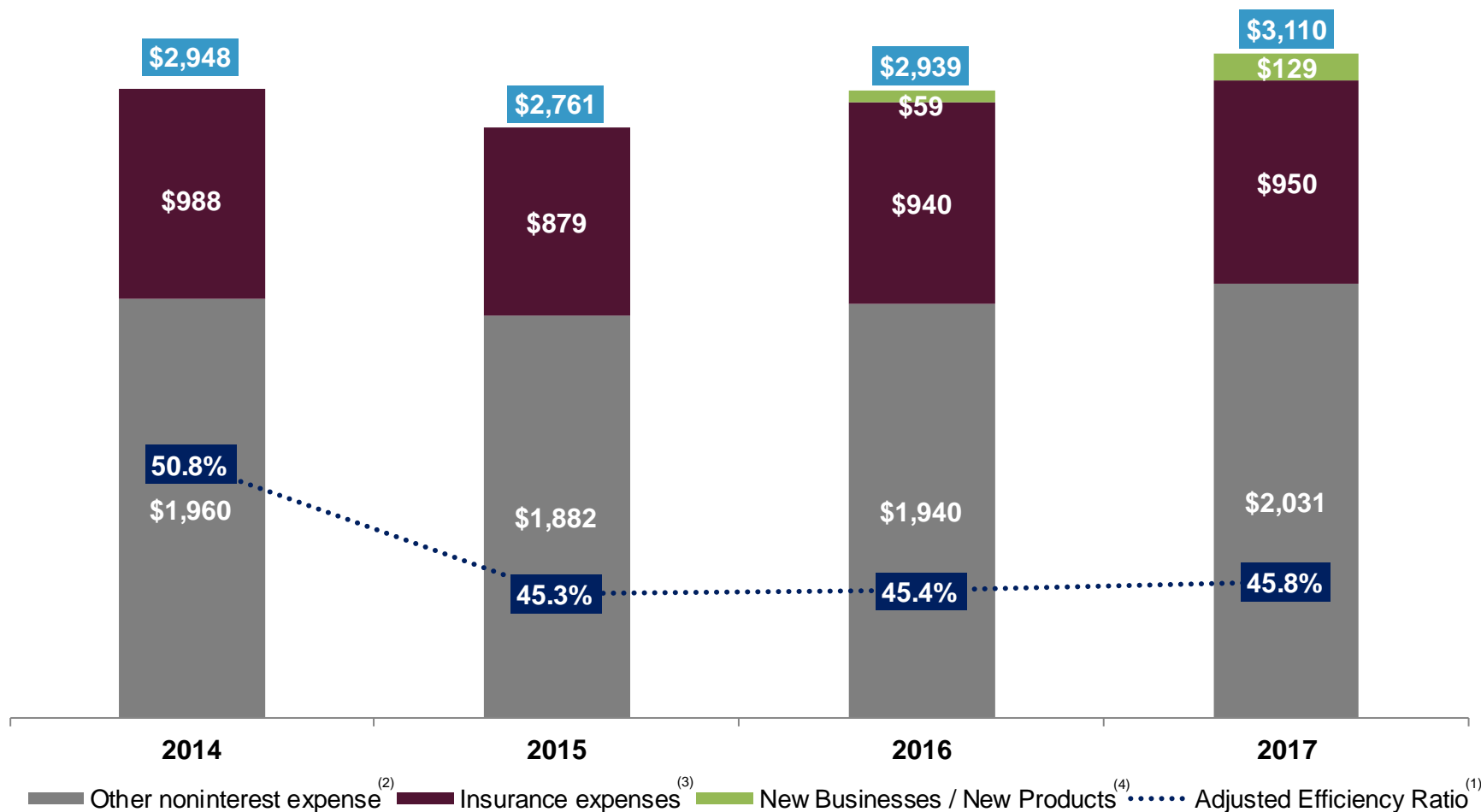


# Noninterest Expense



**Maintaining expense efficiency while investing in technology and product expansion**

(\$ millions)



(1) Represents a non-GAAP financial measure. See page 43 for calculation methodology and details.

(2) "Other" is comprised of compensation & benefits, information technology, servicing and other unidentified noninterest expenses.

(3) Insurance expenses represents the segments noninterest expenses.

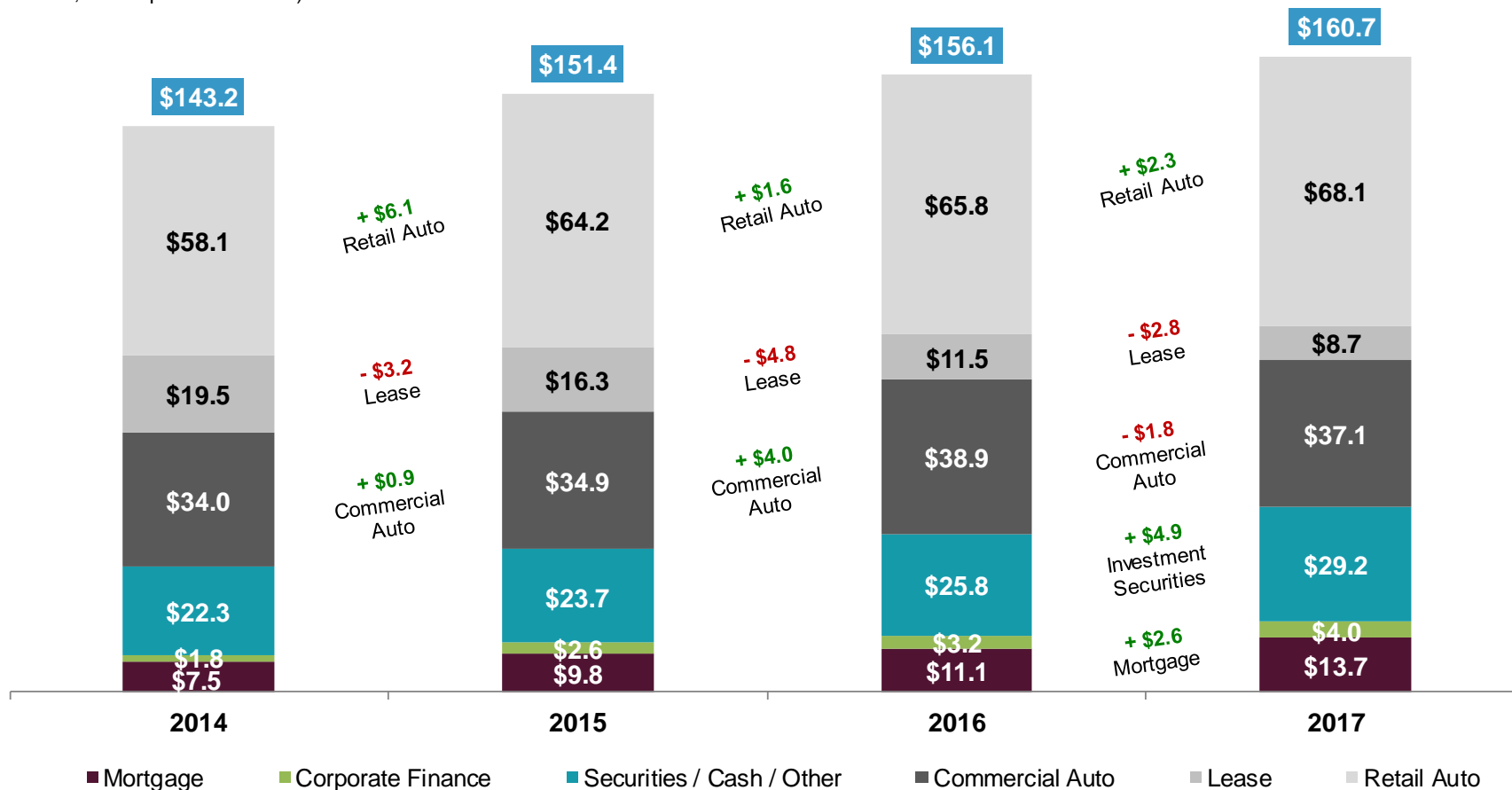
(4) 'New Business / New Products' is comprised of activity associated with Ally Invest, Clearlane, direct-to-consumer mortgage and Transportation Finance

# Earning Asset Growth



## Capital efficient asset growth while auto balances normalize

(\$ billions; end of period balances)



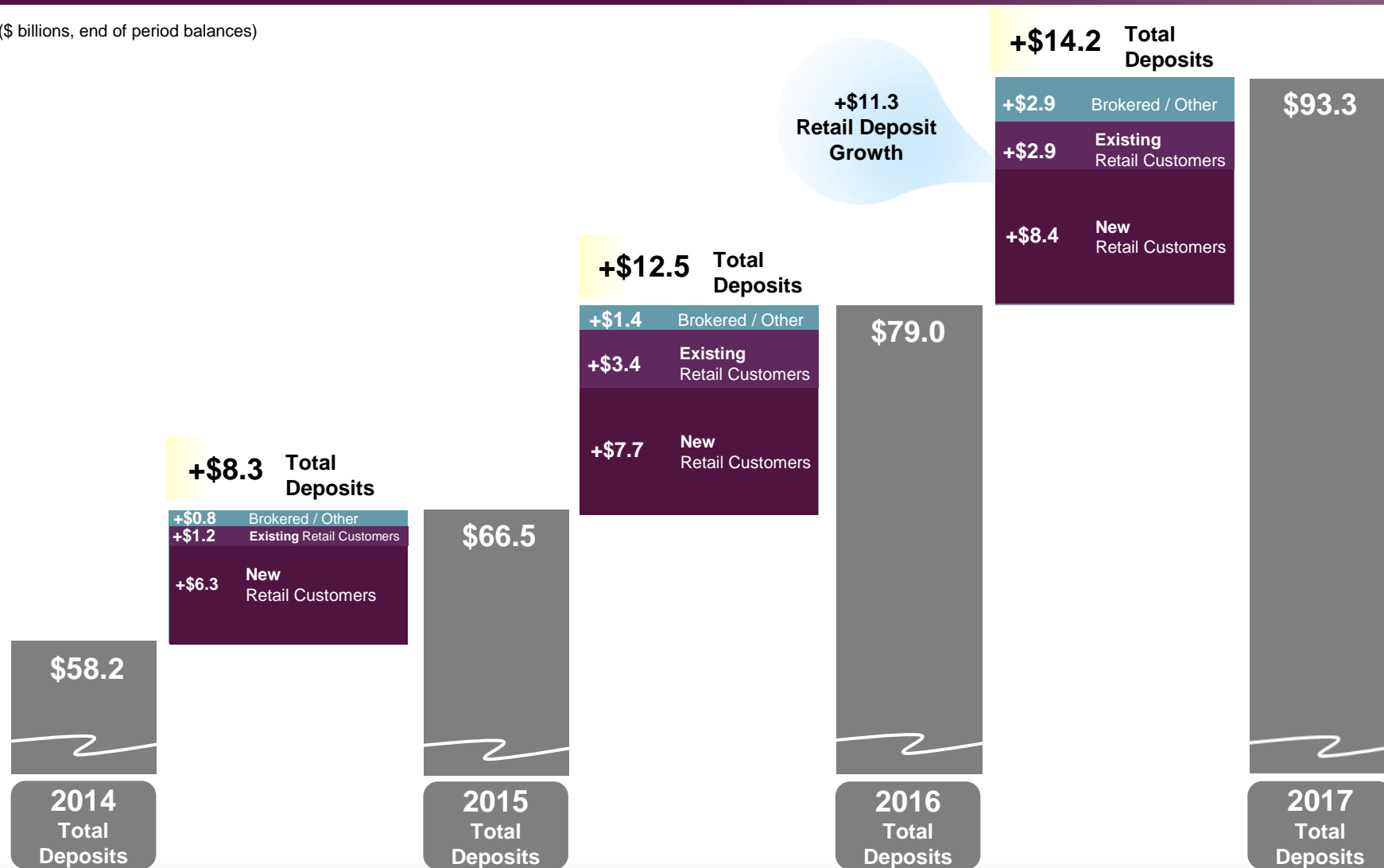
Note: Retail auto loans exclude fair value adjustments for loans in hedge accounting relationship

# Deposit Growth



## Deposit growth momentum supported by both new and existing customer expansion

(\$ billions, end of period balances)



# Net Interest Margin



- **Full year Net Interest Margin (ex Core OID)<sup>(1)</sup> (“NIM”) of 2.76% up 9 bps YoY driven by higher retail and commercial auto margins**
  - Net Financing Revenue (ex Core OID)<sup>(1)</sup> up \$328 million YoY driven by NIM expansion, as well as asset and deposit growth
- **4Q 17 NIM increase QoQ due to higher retail and commercial auto yields partially offset by lease decline**

## Net Interest Margin

(\$ millions)	4Q 17		3Q 17		4Q 16		FY 2017		FY 2016	
	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield	Average Balance	Yield
Retail Auto Loan	\$ 67,501	5.90%	\$ 66,909	5.82%	\$ 65,209	5.64%	\$ 66,502	5.80%	\$ 64,230	5.52%
Auto Lease (net of dep)	8,831	6.29%	9,320	6.90%	12,099	5.75%	9,791	6.36%	13,791	6.83%
Commercial Auto	35,926	3.70%	36,998	3.66%	37,386	3.05%	37,388	3.49%	35,191	3.03%
Corporate Finance	3,936	7.06%	3,558	6.91%	3,273	6.56%	3,624	7.06%	3,028	6.47%
Mortgage	12,445	3.44%	11,521	3.44%	10,901	3.25%	11,486	3.46%	10,691	3.31%
Cash, Securities and Other	29,159	2.41%	28,330	2.37%	22,699	2.10%	26,823	2.38%	21,786	1.98%
<b>Total Earning Assets</b>	<b>\$ 157,798</b>	<b>4.61%</b>	<b>\$ 156,636</b>	<b>4.60%</b>	<b>\$ 151,567</b>	<b>4.33%</b>	<b>\$ 155,614</b>	<b>4.55%</b>	<b>\$ 148,717</b>	<b>4.39%</b>
Interest Revenue	\$ 1,834		\$ 1,816		\$ 1,650		\$ 7,078		\$ 6,536	
Unsecured Debt (excluding Core OID balance) <sup>(1)(4)</sup>	\$ 17,881	5.15%	\$ 19,543	5.10%	\$ 21,346	4.99%	\$ 19,583	5.09%	\$ 21,991	4.90%
Secured Debt	18,963	2.22%	23,060	2.15%	29,788	1.74%	24,216	2.06%	33,319	1.60%
Deposits <sup>(2)</sup>	91,448	1.35%	88,221	1.28%	77,046	1.15%	86,732	1.24%	72,609	1.14%
Other Borrowings <sup>(3)</sup>	18,859	1.51%	15,705	1.41%	14,391	1.08%	15,459	1.37%	11,921	1.11%
<b>Total Funding Sources (excluding Core OID balance) <sup>(1)</sup></b>	<b>\$ 147,151</b>	<b>1.94%</b>	<b>\$ 146,529</b>	<b>1.94%</b>	<b>\$ 142,571</b>	<b>1.84%</b>	<b>\$ 145,990</b>	<b>1.91%</b>	<b>\$ 139,840</b>	<b>1.84%</b>
Interest Expense (excluding Core OID) <sup>(1)</sup>	\$ 721		\$ 717		\$ 659		\$ 2,786		\$ 2,572	
<b>Net Financing Revenue (excluding Core OID) <sup>(1)</sup></b>	<b>\$ 1,113</b>		<b>\$ 1,099</b>		<b>\$ 991</b>		<b>\$ 4,292</b>		<b>\$ 3,964</b>	
<b>NIM (excluding Core OID) <sup>(1)</sup></b>	<b>2.80%</b>		<b>2.78%</b>		<b>2.60%</b>		<b>2.76%</b>		<b>2.67%</b>	
<b>NIM (as reported)</b>	<b>2.75%</b>		<b>2.74%</b>		<b>2.56%</b>		<b>2.71%</b>		<b>2.63%</b>	

(1) Represents a non-GAAP financial measure. Excludes Core OID for interest expense and Core OID balance from Unsecured debt. See page 36, 46 and 47 for calculation methodology and details.

(2) Includes brokered and sweep deposits

(3) Includes Demand Notes, FHLB borrowings and Repurchase Agreements

(4) Includes trust preferred securities

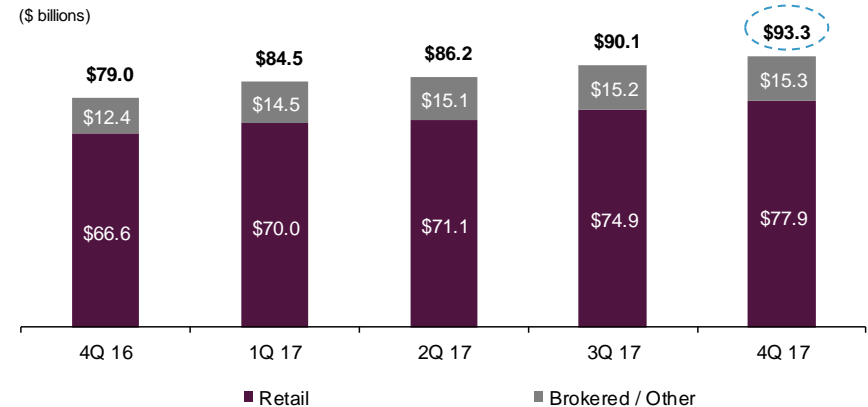
# Deposits



- Record annual retail deposit growth – retail deposits up \$11.3 billion YoY
  - Strong quarterly deposit growth up \$3.0 billion
- Average retail portfolio deposit rate up 20 bps YoY – in line with peer banks
- Continued deposit mix shift to retail CDs from savings driven by consumer demand for CDs and strategic pricing actions
- Retail deposit customers up 16% YoY

## Stable, consistent growth of retail deposits

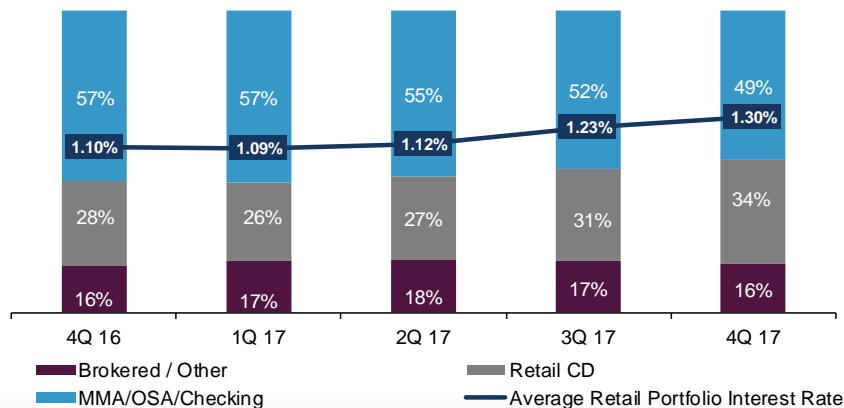
Deposit Levels (EOP)  
(\$ billions)



Note: Other includes mortgage escrow, dealer, and other deposits

## Deposit Mix

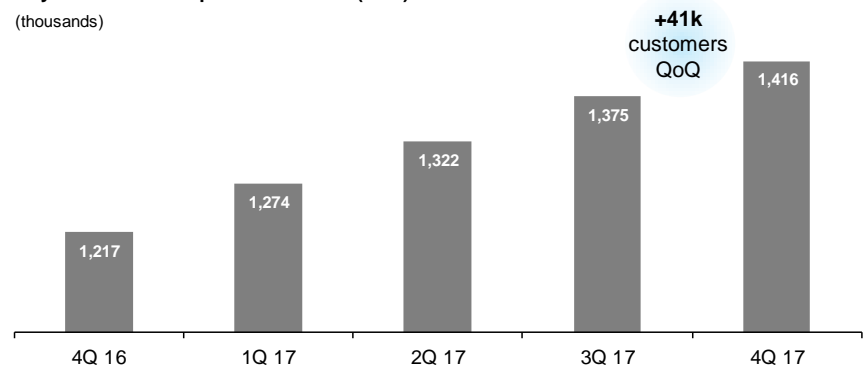
Ally Bank Deposit Composition (EOP) and Average Retail Portfolio Interest Rate



Note: Other includes mortgage escrow, dealer, and other deposits

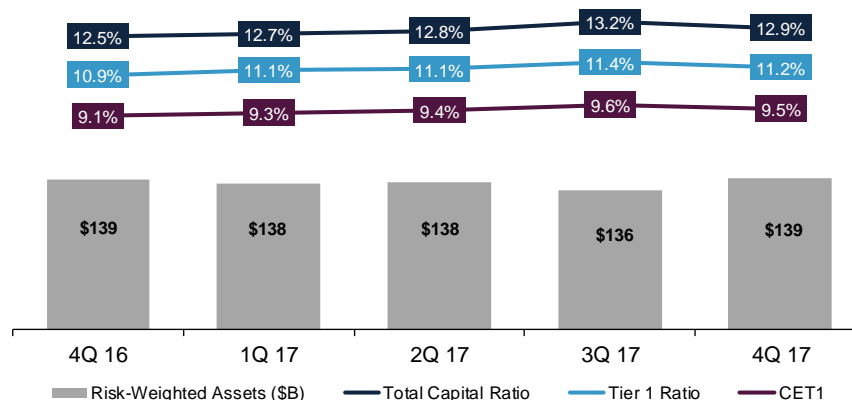
## Retail deposit customer growth

Ally Bank Retail Deposit Customers (EOP)  
(thousands)



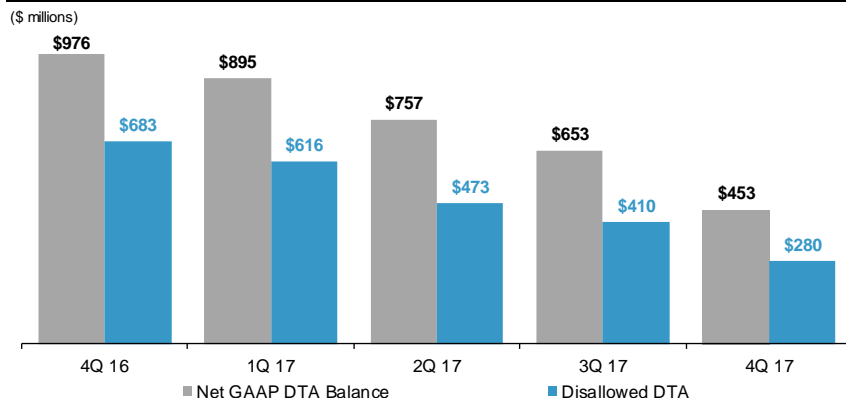
- **Preliminary fully phased-in Basel III CET1 ratio of 9.5%**
  - Expect 5 - 10 bps net impact to CET1 in 1Q 18 given adoption of new accounting pronouncements
- **RWA flat while earning assets increased ~\$5 billion YoY**
- **4Q 17 share repurchases equated to ~1.5% net reduction of total shares outstanding**
  - 9.7% shares outstanding decrease since inception of buyback program in 3Q 16
- **Board approved quarterly dividend increase from \$0.12 to \$0.13 per share for 1Q 18**
  - Included in Fed non-objection to 2017 CCAR capital plan

## Capital Ratios<sup>(1)</sup> and Risk-Weighted Assets



(1) All capital ratios represent fully phased-in Basel III, which are non-GAAP financial measures; See page 45 for details.

## Deferred Tax Asset Utilization



Note: reflects Basel III fully phased-in disallowed DTA. Disallowed DTA is phased in to CET1 during transition period. See page 45 for more details.

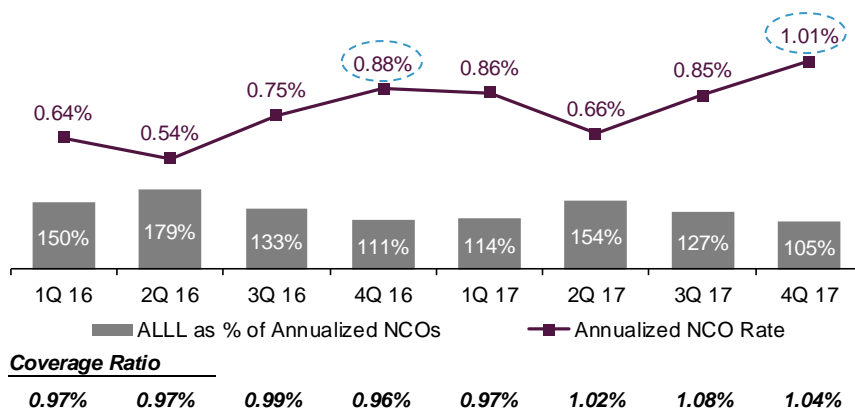
4Q 2017 Preliminary Results

## Share Buyback Summary

	4Q 17	Since Inception
Shares Repurchased (MM)	7.0	51.2
Dollars (\$MM)	\$190	\$1,079
Average Price Paid Per Share	\$27.00	\$21.08
Shares Outstanding Decrease (net)	-1.5%	-9.7%

Note: 'Since Inception' is activity in 3Q 16 - 4Q 17. Shares repurchased include shares withheld to cover taxes related to employee stock ownership plans.

## Consolidated Net Charge-Offs



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

## Provision Expense

(\$ millions)

### Provision Expense

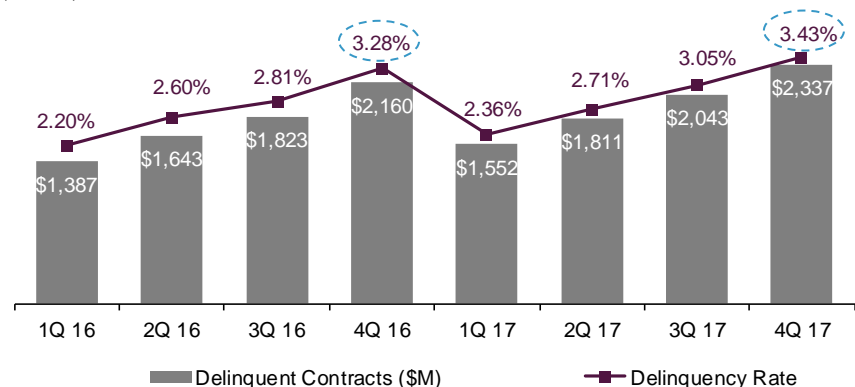
	3Q 16	4Q 16	1Q 17	2Q 17	3Q 17	4Q 17
Retail Auto	\$ 269	\$ 275	\$ 267	\$ 260	\$ 314	\$ 286
Commercial Auto	1	-	1	6	(2)	2
Mortgage Finance	1	(8)	1	1	4	2
Corporate Finance	3	(2)	6	6	3	7
Corp/Other	(16)	2	(4)	(4)	(5)	(3)
<b>Total</b>	<b>\$ 258</b>	<b>\$ 267</b>	<b>\$ 271</b>	<b>\$ 269</b>	<b>\$ 314</b>	<b>\$ 294</b>

Retail Auto Coverage Ratio	1.41%	1.42%	1.43%	1.50%	1.60%	1.57%
Retail Auto Loan Bal (EOP, \$ billions)	\$ 64.8	\$ 65.8	\$ 65.6	\$ 66.7	\$ 67.1	\$ 68.1

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

## Retail Auto Delinquencies

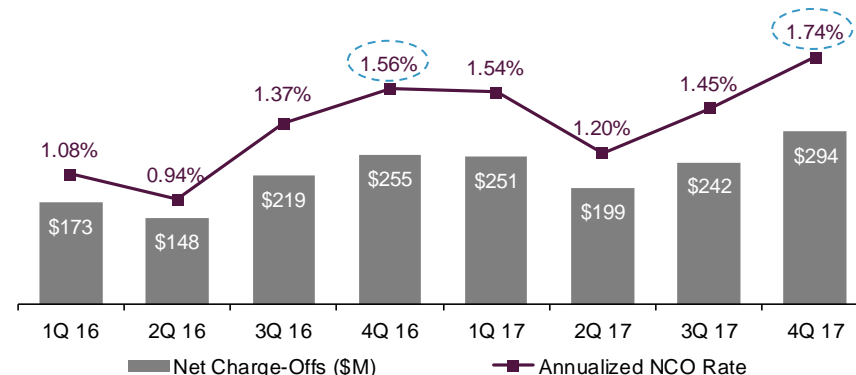
(30+ DPD)



Note: Includes accruing contracts only.

4Q 2017 Preliminary Results

## Retail Auto Net Charge-Offs



Note: See page 36 for definition.

# Auto Finance – Results



- Auto Finance reported pre-tax income of \$285 million in 4Q, down \$13 million YoY and down \$15 million QoQ

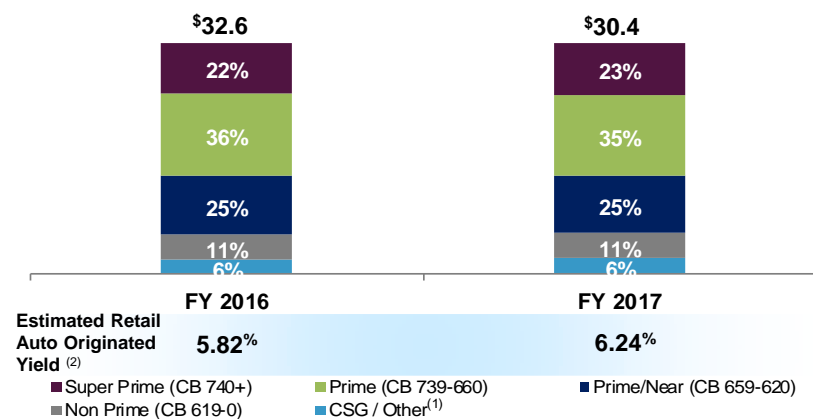
- Net financing revenue up YoY due to higher retail assets and yields offsetting lease portfolio run-off
  - Net financing revenue down QoQ due to declining lease portfolio
- Other revenue down QoQ and YoY driven primarily by lower loan sale activity
- Provision expense up YoY due to higher charge-offs due to portfolio mix shift which is largely complete
  - Provision declined QoQ due to lower hurricane-specific reserves – \$40 million of reserve remains

Key Financials (\$ millions)	4Q 17	Increase/(Decrease) vs.	
		3Q 17	4Q 16
Net financing revenue	\$ 939	\$ (11)	\$ 32
Total other revenue	65	(17)	(13)
Total net revenue	1,004	(28)	19
Provision for loan losses	288	(24)	13
Noninterest expense <sup>(1)</sup>	431	11	19
Pre-tax income from continuing ops	\$ 285	\$ (15)	\$ (13)
U.S. auto earning assets (EOP)	\$ 113,852	\$ 1,863	\$ (2,221)
<b>Net lease revenue (\$ millions)</b>			
Operating lease revenue	\$ 402	\$ (32)	\$ (190)
Depreciation expense	306	(18)	(121)
Remarketing gains	44	(7)	34
Total depreciation expense	262	(10)	(155)
Net lease revenue	\$ 140	\$ (22)	\$ (35)
Lease yield, net	6.29%	-0.61%	0.54%
Average gain per vehicle	\$ 809	\$ 18	\$ 674
Off-lease vehicles terminated	54,161	(10,300)	(17,576)

(On-balance sheet - # in units)

(1) Noninterest expense includes corporate allocations of \$167 million in 4Q 2017, \$165 million in 3Q 2017 and \$165 million in 4Q 2016

Annual Retail Auto Originations by FICO (excludes Lease) (\$ billions)



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

## 4Q 2017 Preliminary Results

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

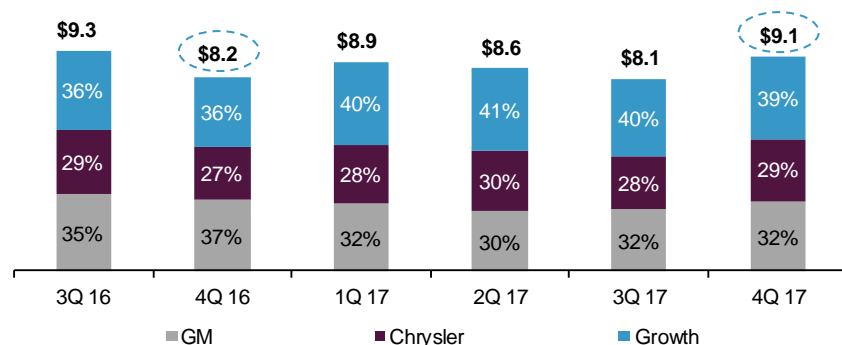


# Auto Finance – Key Metrics



## Consumer Originations

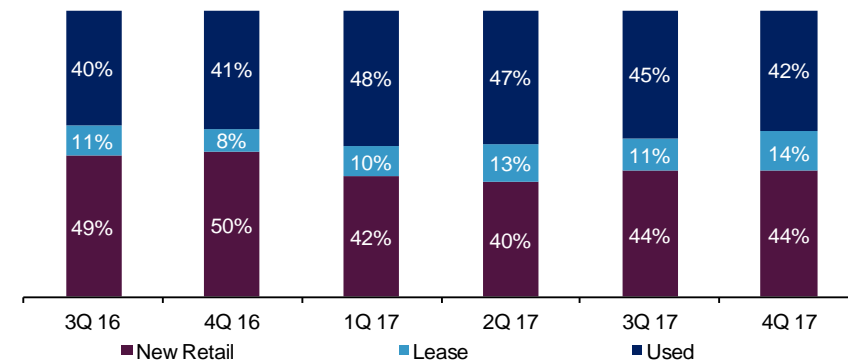
(\$ billions; % of \$ originations)



See page 36 for definitions

## Origination Mix

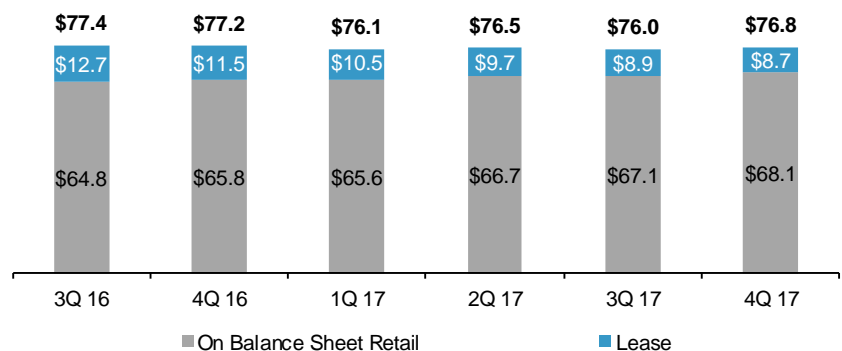
(% of \$ originations)



See page 36 for definitions

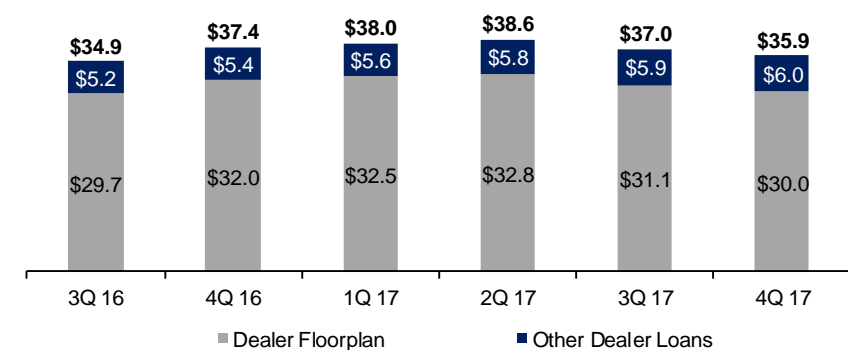
## Consumer Assets

(EOP \$ billions)



## Commercial Assets

(\$ billions)



Note: Asset balances reflect the average daily balance for the quarter

- **Pre-tax income of \$80 million up \$11 million YoY and QoQ**
  - Earned premiums up driven primarily by higher vehicle inventory insurance rates
- **Written premiums of \$265 million up \$28 million YoY**
  - Increase driven by growth in F&I products and vehicle inventory insurance rates
- **\$30 million weather loss coverage (in excess of \$12 million attachment point) remaining for 1Q 18**
  - \$60 million of losses reinsured under agreement since 2Q 17

Key Financials (\$ millions)	4Q 17	Increase/(Decrease) vs.	
		3Q 17	4Q 16
Premiums, service revenue earned and other	\$ 257	\$ 2	\$ 13
Losses and loss adjustment expenses	54	(11)	(1)
Acquisition and underwriting expenses <sup>(1)</sup>	159	6	7
Total underwriting income	44	7	7
Investment income and other	36	4	4
Pre-tax income from continuing ops	\$ 80	\$ 11	\$ 11
Total assets (EOP)	\$ 7,464	\$ 32	\$ 292

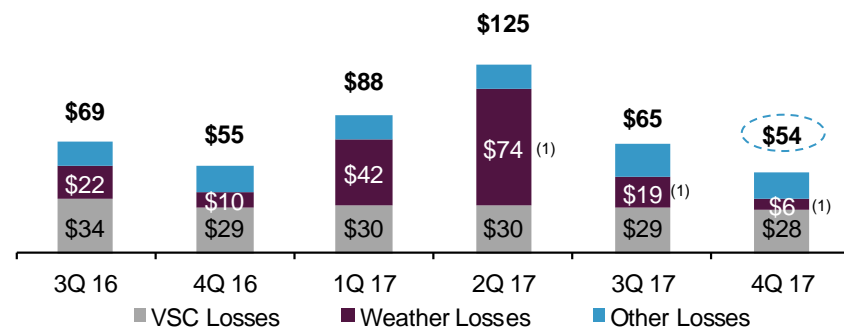
  

Key Statistics - Insurance Ratios	4Q 17	3Q 17	4Q 16
Loss ratio	21.3%	25.7%	22.6%
Underwriting expense ratio	62.2%	60.3%	62.7%
Combined ratio	83.5%	86.0%	85.3%

(1) Noninterest expense includes corporate allocations of \$13 million in 4Q 2017, \$12 million in 3Q 2017 and \$12 million in 4Q 2016

## Insurance Losses

(\$ millions)

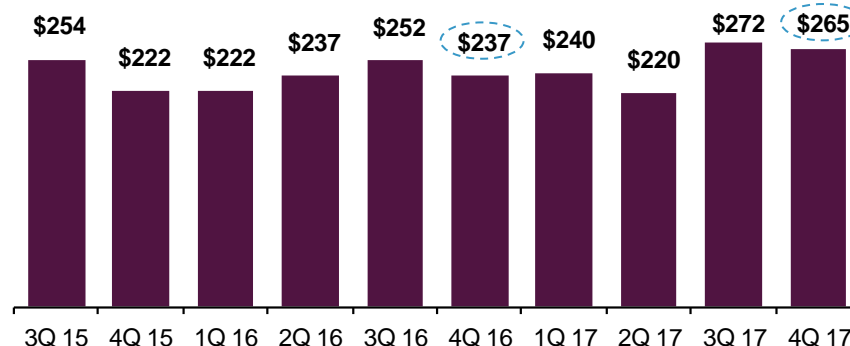


(1) 2Q 2017 - 4Q 2017 Weather Losses net of reinsurance coverage

4Q 2017 Preliminary Results

## Insurance Written Premiums

(\$ millions)



- **Pre-tax income of \$32 million, up \$1 million YoY and up \$10 million QoQ**

- Net financing revenue up YoY and QoQ driven by strong loan growth
- Total other revenue flat YoY and up QoQ due to higher equity investment income in the current quarter
- Provision expense up YoY and QoQ driven by higher reserves primarily resulting from asset growth

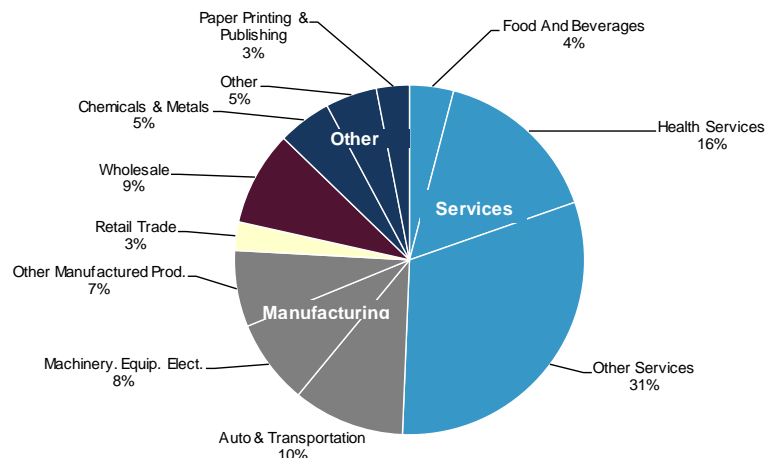
- **Held-for-investment portfolio up 23% YoY**

- YoY asset growth from specialized lending verticals

Key Financials (\$ millions)	4Q 17	Increase/(Decrease) vs.	
		3Q 17	4Q 16
Net financing revenue	\$ 46	\$ 7	\$ 12
Total other revenue	12	7	-
Total net revenue	58	14	12
Provision for loan losses	7	4	9
Noninterest expense <sup>(1)</sup>	19	-	2
Pre-tax income from continuing ops	\$ 32	\$ 10	\$ 1
Total assets (EOP)	\$ 3,979	\$ 280	\$ 796

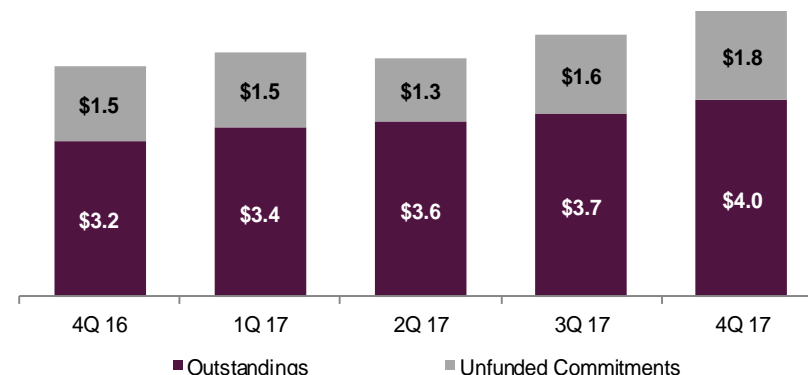
(1) Noninterest expense includes corporate allocations of \$5 million in 4Q 2017, \$5 million in 3Q 2017 and \$6 million in 4Q 2016

Corporate Finance Outstandings Loan Portfolio by Industry - 12/31/2017



Corporate Finance Outstandings (incl loans held-for-sale) and Unfunded Commitments

(end of period balances, \$ billions)



- **Pre-tax income of \$2 million, down \$13 million YoY and flat QoQ**

- Higher net financing revenue YoY driven by asset balance growth from bulk purchase activity
- Provision expense higher YoY due to allowance release in the prior year based on strong credit performance
  - Provision down QoQ as hurricane specific reserves in 3Q 17 offset asset growth
- Noninterest expense up YoY driven by continued build out of direct-to-consumer offering

- **Held-for-investment assets up \$3.4 billion YoY**

- Bulk purchase activity of \$2.2 billion in 4Q 17
- Full year bulk purchase activity of \$4.5 billion, up 20% YoY

Key Financials (\$ millions)	4Q 17	Increase/(Decrease) vs.	
		3Q 17	4Q 16
Net financing revenue	\$ 34	\$ 2	\$ 8
Total other revenue	1	(1)	1
Total net revenue	\$ 35	\$ 1	\$ 9
Provision for loan losses	2	(2)	10
Noninterest expense <sup>(1)</sup>	31	3	12
Pre-tax income from continuing ops	\$ 2	\$ -	\$ (13)
Total assets (EOP)	\$ 11,708	\$ 1,904	\$ 3,401

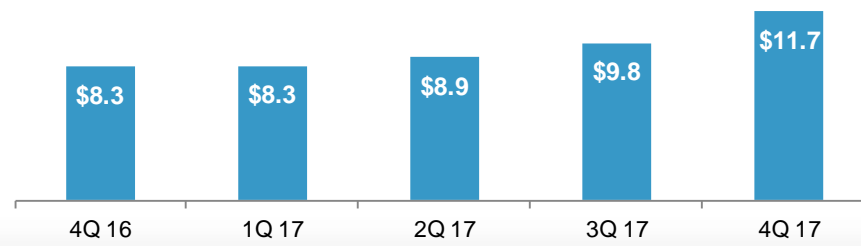
Mortgage Finance HFI Portfolio	4Q 17	3Q 17	4Q 16
Net Carry Value (\$ billions)	\$ 11.6	\$ 9.7	\$ 8.3
Wtd. Avg. LTV/CLTV <sup>(2)</sup>	60.8%	61.2%	59.7%
Refreshed FICO	772	772	772

(1) Noninterest expense includes corporate allocations of \$14 million in 4Q 2017, \$12 million in 3Q 2017 and \$9 million in 4Q 2016

(2) 1st lien only. Updated home values derived using a combination of appraisals, BPOs, AVMs and MSA level house price indices

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

Bulk Purchase Activity				
\$0.9	\$0.3	\$0.8	\$1.2	\$2.2



- **Another strong year of executing financial path**
- **Deposit growth and expanding risk-adjusted asset yields support further earnings growth**
- **Tax reform supports accelerated earnings growth**
- **Successfully navigating cyclical dynamics in auto finance**
- **Focused on building scale in product expansion areas**

**Building the leading digital bank**

# Supplemental Charts



## Results by Segment



Pre-Tax Income (\$ millions)	FY 2017	4Q 17	3Q 17	4Q 16	Increase/(Decrease) vs.		
					FY 2016	3Q 17	4Q 16
Automotive Finance	\$ 1,220	\$ 285	\$ 300	\$ 298	\$ (160)	\$ (15)	\$ (13)
Insurance	168	80	69	69	11	11	11
<b>Dealer Financial Services</b>	<b>\$ 1,388</b>	<b>\$ 365</b>	<b>\$ 369</b>	<b>\$ 367</b>	<b>\$ (149)</b>	<b>\$ (4)</b>	<b>\$ (2)</b>
Mortgage Finance	20	2	2	15	(14)	-	(13)
Corporate Finance	114	32	22	31	43	10	1
Corporate and Other	(15)	11	2	(33)	46	9	44
<b>Pre-tax income from continuing operations</b>	<b>\$ 1,507</b>	<b>\$ 410</b>	<b>\$ 395</b>	<b>\$ 380</b>	<b>\$ (74)</b>	<b>\$ 15</b>	<b>\$ 30</b>
Core OID <sup>(1)</sup>	71	19	18	15	12	1	3
Repositioning items <sup>(1)(2)</sup>	-	-	-	-	(11)	-	-
<b>Core pre-tax income <sup>(2)</sup></b>	<b>\$ 1,578</b>	<b>\$ 429</b>	<b>\$ 413</b>	<b>\$ 395</b>	<b>\$ (73)</b>	<b>\$ 16</b>	<b>\$ 33</b>

(1) Core OID for all periods shown are applied to the pre-tax income of the Corporate and Other segment. See pages 36 and 47 for calculation methodology and details.

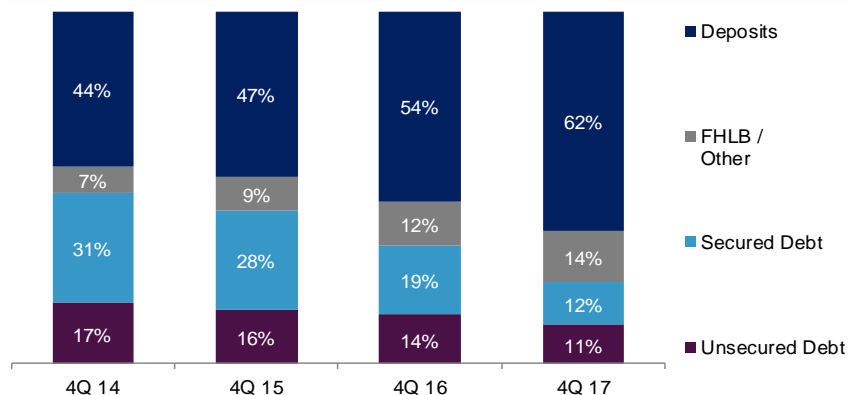
(2) Core pre-tax income is a non-GAAP financial measure that adjusts pre-tax income from continuing operations for repositioning items and Core OID. Management believes core pre-tax income can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. See pages 36 and 46 for calculation methodology and details.

# Funding and Liquidity



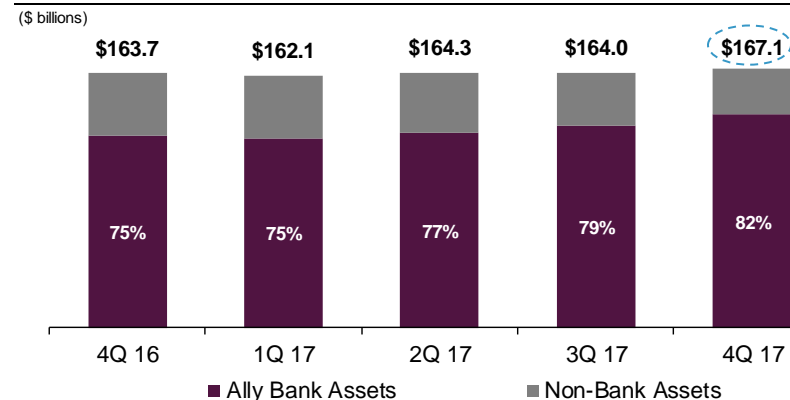
- Ally Bank funded assets at 82% up 7 pts YoY
- Deposits at 62% of total funding (ex Core OID balance) up 8 pts YoY
- \$7.3 billion in domestic term auto ABS transactions FY 17
  - Including \$1.1 billion full securitization
- Strong total liquidity levels at \$18.1 billion as of 12/31/17

## Funding Profile

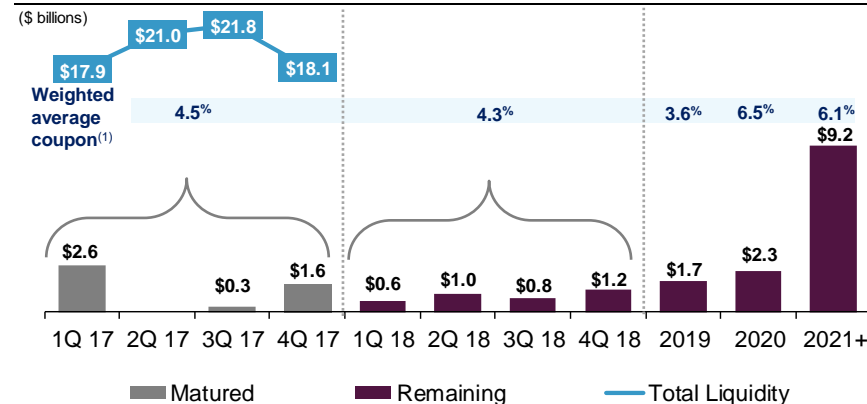


Note: excludes Core OID balance. See page 36 and 47 for details.

## Growth in Bank Funded Assets



## Unsecured Long-Term Debt Maturities



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

As of 12/31/17. Total maturities for 2021 and beyond do not exceed \$3.0 billion in any given year. Current period does not include early debt redemptions.

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



# Corporate and Other



- **Corporate and Other includes the impact of centralized asset and liability management, corporate overhead allocation activities, the legacy mortgage portfolio and Ally Invest activity**
- **Pre-tax income of \$11 million up \$44 million YoY and up \$9 million QoQ**
  - Net financing revenue up YoY and QoQ driven primarily by higher investment securities average balances and yield
  - Other revenue lower YoY primarily due to higher investment gains in prior period
- **Total assets up \$1.2 billion YoY**
  - Higher investment securities balance
  - Held-for-investment mortgage loan decline due to legacy portfolio run-off
- **Low volatility environment impacting Ally Invest average customer trades per day**

Key Financials (\$ millions)	4Q 17	Increase/(Decrease) vs.	
		3Q 17	4Q 16
Net financing revenue	\$ 60	\$ 15	\$ 68
Total other revenue	23	3	(20)
Total net revenue	\$ 83	\$ 18	\$ 48
Provision for loan losses	(3)	2	(5)
Noninterest expense	75	7	9
Pre-tax income from continuing ops	\$ 11	\$ 9	\$ 44
Core OID <sup>(1)</sup>	19	1	3
Core pre-tax income <sup>(2)</sup>	\$ 30	\$ 10	\$ 47
Cash & securities	\$ 23,778	\$ (425)	\$ 3,142
Held-for-investment loans, net <sup>(3)</sup>	2,155	(128)	(630)
Other	3,975	(476)	(1,323)
Total assets	\$ 29,908	\$ (1,029)	\$ 1,189

(1) Represents a non-GAAP financial measure. See page 36 and 47 for details.

(2) Represents a non-GAAP financial measure. See page 46 for calculation methodology and details.

(3) Primarily HFI legacy mortgage portfolio.

Ally Invest Details (brokerage)	4Q 17	3Q 17	4Q 16
Net Funded Accounts ( <i>thousands</i> )	260.7	255.0	244.4
Average Customer Trades Per Day ( <i>thousands</i> )	16.8	15.5	17.5
Total Customer Cash Balances (\$ <i>millions</i> )	\$ 1,144	\$ 1,168	\$ 1,253
Total Net Customer Assets (\$ <i>millions</i> )	\$ 5,355	\$ 5,204	\$ 4,771

# Interest Rate Sensitivity



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

(\$ millions)	4Q 17		3Q 17	
	Gradual <sup>(2)</sup>	Instantaneous	Gradual <sup>(2)</sup>	Instantaneous
-100 bp	\$ (22)	\$ 15	\$ 12	\$ 43
+100 bp	\$ (18)	\$ (106)	\$ (1)	\$ (62)
Stable rate environment	n/m	\$ (14)	n/m	\$ 19

(1) Net financing revenue impacts reflect a rolling 12-month view. See page 36 for additional details.

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

# Deferred Tax Asset and 4Q 17 ETR Details



Deferred Tax Asset (\$ millions)	4Q 17			3Q 17 <sup>(1)</sup>	4Q 16
	Gross DTA/(DTL) Balance	Valuation Allowance	Net DTA/(DTL) Balance	Net DTA/(DTL) Balance	Net DTA/(DTL) Balance
Net Operating Loss (Federal)	\$ 302	\$ -	\$ 302	\$ 524	\$ 900
Capital Loss (Federal)	-	-	-	-	-
Tax Credit Carryforwards	2,001	(983)	1,018	1,535	1,502
State/Local Tax Carryforwards	202	(139)	63	63	67
Other Deferred Tax Liabilities, net <sup>(2)</sup>	(929)	(1)	(930)	(1,469)	(1,493)
<b>Net Deferred Tax Assets</b>	<b>\$ 1,576</b>	<b>\$ (1,123)</b>	<b>\$ 453</b>	<b>\$ 653</b>	<b>\$ 976</b>

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

(2) Primarily book / tax timing differences

Note: 4Q 2017 includes approximately \$128 million revaluation of deferred tax balances from 35% to 21% pursuant to Tax Reform enacted on December 22, 2017. Tax credits are not generally subject to revaluation.

Effective Tax Rate ("ETR")	4Q 17
Statutory U.S. Federal Tax Expense	35.0%
Tax Reform Revaluation Impacts	29.0%
Valuation Allowance Release – Foreign Tax Credit Carryforwards	-3.8%
Valuation Allowance Release – Capital Loss Carryforwards	-3.7%
Other, net	-0.1%
<b>Quarterly ETR (reported)</b>	<b>56.3%</b>
Tax Reform Revaluation Impacts	-29.0%
<b>ETR excluding Tax Reform Revaluation Impacts</b>	<b>27.4%</b>

# Notes on non-GAAP and other financial measures



**The following are non-GAAP financial measures which Ally believes are important to the reader of the Consolidated Financial Statements, but which are supplemental to and not a substitute for U.S. GAAP measures: Adjusted Earnings per Share (Adjusted EPS), Core Pre-Tax Income, Core Net Income Attributable to Common Shareholders, Core Return on Tangible Common Equity (Core ROTCE), Estimated Retail Auto Originated Yield, Adjusted Efficiency Ratio, fully phased-in Common Equity Tier 1 (CET1) capital, Adjusted Total Net Revenue, Adjusted Other Revenue, Core original issue discount (Core OID) amortization expense and Core outstanding original issue discount balance (Core OID balance), Net Financing Revenue, excluding Core OID and Adjusted Tangible Book Value per Share (Adjusted TBVPS). These measures are used by management and we believe are useful to investors in assessing the company's operating performance and capital. Refer to the Definitions of Non-GAAP Financial Measures and Other Key Terms, and Reconciliation to GAAP later in this document**

- 1) **Accelerated issuance expense (Accelerated OID)** is the recognition of issuance expenses related to calls of redeemable debt.
- 2) **Core net income attributable to common shareholders** is a non-GAAP financial measure that serves as the numerator in the calculations of Adjusted EPS and Core ROTCE and that, like those measures, is believed by management to help the reader better understand the operating performance of the core businesses and their ability to generate earnings. Core net income attributable to common shareholders adjusts GAAP net income attributable to common shareholders for discontinued operations net of tax, tax-effected Core OID expense, tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, certain discrete tax items and preferred stock capital actions. See page 37 for calculation methodology and details.
- 3) **Core original issue discount (Core OID) amortization expense** is a non-GAAP financial measure for OID, primarily related to bond exchange OID which excludes international operations and future issuances. See page 47 for calculation methodology and details.
- 4) **Core outstanding original issue discount balance (Core OID balance)** is a non-GAAP financial measure for outstanding OID, primarily related to bond exchange OID which excludes international operations and future issuances. See page 47 for calculation methodology and details.
- 5) **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) repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities. 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 46 for calculation methodology and details.
- 6) **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.
- 7) **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. We have experienced significant growth in deposit balances over the past several years, resulting in increased exposure to deposit portfolio repricing assumptions on liquid and time deposit balances. During the first quarter of 2017 we implemented a dynamic pass-through modeling assumption on our retail liquid deposit portfolio, whereby deposit pass-through levels increase as the absolute level of short-term market interest rates rise. Our baseline forecast assumes a medium-term cumulative deposit beta on retail liquid products of 30% to 50%, steadily increasing to approximately 75% over the longer term. For deposits with contractual maturities, we assume betas will exceed retail liquid product levels on new and maturing volumes. We continually monitor industry and competitive repricing activity along with other market factors when contemplating deposit pricing actions. Please see the 10-K for more details.
- 8) **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.
- 9) **Tangible Common Equity** is a non-GAAP financial measure that is defined as common stockholders' equity less goodwill and identifiable intangible assets, net of deferred tax liabilities. Ally considers various measures when evaluating capital adequacy, including tangible common equity. Ally believes that tangible common equity is important because we believe readers may assess our capital adequacy using this measure. Additionally, presentation of this measure allows readers to compare certain aspects of our capital adequacy on the same basis to other companies in the industry. For purposes of calculating Core return on tangible common equity (Core ROTCE), tangible common equity is further adjusted for tax-effected Core OID balance and net deferred tax asset. See page 41 for more details.
- 10) **U.S. consumer auto originations**
  - New Retail – standard and subvented rate new vehicle loans
  - Lease – new vehicle lease originations
  - Used – used vehicle loans
  - Growth – total originations from non-GM/Chrysler dealers and direct-to-consumer loans

## GAAP to Core Results - Annual

Adjusted Earnings per Share ("Adjusted EPS")Numerator (\$ millions)**GAAP net income attributable to common shareholders**

less: Discontinued operations, net of tax

add back: Core OID

add back: Repositioning items

less: Core OID &amp; repositioning items tax (tax rate 35% starting 1Q16; 34% prior)

Significant discrete tax items

Series G Actions

Series A Actions

**Core net income attributable to common shareholders**

	FY 2017	FY 2016	FY 2015	FY 2014
<b>\$</b>	<b>929</b>	<b>\$ 1,037</b>	<b>\$ (1,282)</b>	<b>\$ 882</b>
	(3)	44	(392)	(225)
	71	59	59	186
	-	11	349	187
	(25)	(24)	(139)	(127)
	119	(84)	-	(91)
	-	-	2,350	-
	-	1	22	-
<b>[a] \$</b>	<b>1,091</b>	<b>\$ 1,043</b>	<b>\$ 967</b>	<b>\$ 812</b>

Denominator**Weighted-average common shares outstanding - (Diluted, thousands)**

<b>[b]</b>	<b>455,350</b>	<b>482,182</b>	<b>483,934</b>	<b>481,934</b>
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**Adjusted EPS**

<b>[a] / [b] \$</b>	<b>2.39</b>	<b>\$ 2.16</b>	<b>\$ 2.00</b>	<b>\$ 1.68</b>
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**Adjusted earnings per share (Adjusted EPS)** is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. In the numerator of Adjusted EPS, GAAP net income attributable to common shareholders is adjusted for the following items: (1) excludes discontinued operations, net of tax, as Ally is primarily a domestic company and sales of international businesses and other discontinued operations in the past have significantly impacted GAAP EPS, (2) adds back the tax-effected non-cash Core OID, (3) adds back tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, (4) excludes certain discrete tax items that do not relate to the operating performance of the core businesses, and (5) adjusts for preferred stock capital actions (e.g., Series A and Series G) that have been taken by the company to normalize its capital structure.

## GAAP to Core Results - Quarterly



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

Numerator (\$ millions)

## GAAP net income attributable to common shareholders

	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
\$	181	\$ 282	\$ 252	\$ 214	\$ 248	\$ 209	\$ 345	\$ 235	\$ (953)	\$ 230	\$ (1,069)	\$ 509	\$ 109
less: Discontinued operations, net of tax	(2)	(2)	2	(1)	(2)	52	(3)	(3)	13	5	(13)	(397)	(26)
add back: Core OID	19	18	17	16	15	15	14	15	12	11	18	17	42
add back: Repositioning items	-	-	-	-	-	-	4	7	3	2	154	190	167
less: Core OID & repositioning items tax (tax rate 35% starting 1Q16; 34% prior)	(7)	(6)	(6)	(6)	(5)	(5)	(6)	(8)	(5)	(5)	(58)	(71)	(71)
Significant Discrete tax items	119	-	-	-	-	-	(91)	7	-	-	-	-	(30)
Series G Actions	-	-	-	-	-	-	-	-	1,179	-	1,171	-	-
Series A Actions	-	-	-	-	-	-	1	-	-	-	22	-	-
Core net income attributable to common shareholders	[a] \$ 310	\$ 292	\$ 265	\$ 224	\$ 256	\$ 271	\$ 263	\$ 253	\$ 249	\$ 244	\$ 224	\$ 249	\$ 192

Denominator

## Weighted-average common shares outstanding - (Diluted, thousands)

[b]	444,985	451,078	458,819	466,829	474,505	483,575	486,074	484,654	484,845	484,399	483,687	482,782	483,091
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Adjusted EPS	[a] / [b]	\$ 0.70	\$ 0.65	\$ 0.58	\$ 0.48	0.54	\$ 0.56	\$ 0.54	\$ 0.52	\$ 0.52	\$ 0.51	\$ 0.46	\$ 0.52	\$ 0.40
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**Adjusted earnings per share (Adjusted EPS)** is a non-GAAP financial measure that adjusts GAAP EPS for revenue and expense items that are typically strategic in nature or that management otherwise does not view as reflecting the operating performance of the company. Management believes Adjusted EPS can help the reader better understand the operating performance of the core businesses and their ability to generate earnings. In the numerator of Adjusted EPS, GAAP net income attributable to common shareholders is adjusted for the following items: (1) excludes discontinued operations, net of tax, as Ally is primarily a domestic company and sales of international businesses and other discontinued operations in the past have significantly impacted GAAP EPS, (2) adds back the tax-effected non-cash Core OID, (3) adds back tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, (4) excludes certain discrete tax items that do not relate to the operating performance of the core businesses, and (5) adjusts for preferred stock capital actions (e.g., Series A and Series G) that have been taken by the company to normalize its capital structure.

## GAAP to Core Results - Annual

Adjusted Tangible Book Value per Share ("Adjusted TBVPS")Numerator (\$ billions)

GAAP shareholder's equity

less: Preferred equity

**GAAP common shareholder's equity**

less: Goodwill and identifiable intangibles, net of DTLs

Tangible common equity

less: Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior)

**Adjusted tangible book value**Denominator**Issued shares outstanding** (period-end, thousands)Metric

GAAP shareholder's equity per share

less: Preferred equity per share

**GAAP common shareholder's equity per share**

less: Goodwill and identifiable intangibles, net of DTLs per share

Tangible common equity per share

less: Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior) per share

**Adjusted tangible book value per share**

	FY 2017	FY 2016	FY 2015
	\$ 13.5	\$ 13.3	\$ 13.4
	-	-	(0.7)
	<b>\$ 13.5</b>	<b>\$ 13.3</b>	<b>\$ 12.7</b>
	(0.3)	(0.3)	(0.0)
	13.2	13.0	12.7
	(0.9)	(0.8)	(0.9)
<b>[a]</b>	<b>\$ 12.3</b>	<b>\$ 12.2</b>	<b>\$ 11.9</b>
<b>[b]</b>	<b>437,054</b>	<b>467,000</b>	<b>481,980</b>
	\$ 30.9	\$ 28.5	\$ 27.9
	-	-	(1.4)
	<b>\$ 30.9</b>	<b>\$ 28.5</b>	<b>\$ 26.4</b>
	(0.7)	(0.6)	(0.1)
	30.2	27.9	26.4
	(2.1)	(1.7)	(1.8)
<b>[a] / [b]</b>	<b>\$ 28.1</b>	<b>\$ 26.2</b>	<b>\$ 24.6</b>

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

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

## GAAP to Core Results - Quarterly



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

Adjusted Tangible Book Value per Share ("Adjusted TBVPS")													
	QUARTERLY TREND												
	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
Numerator (\$ billions)													
GAAP shareholder's equity	\$ 13.5	\$ 13.6	\$ 13.5	\$ 13.4	\$ 13.3	\$ 13.6	\$ 13.6	\$ 13.8	\$ 13.4	\$ 14.6	\$ 14.3	\$ 15.9	\$ 15.4
less: Preferred equity	-	-	-	-	-	-	-	(0.7)	(0.7)	(0.8)	(0.8)	(1.3)	(1.3)
GAAP Common shareholder's equity	\$ 13.5	\$ 13.6	\$ 13.5	\$ 13.4	\$ 13.3	\$ 13.6	\$ 13.6	\$ 13.1	\$ 12.7	\$ 13.8	\$ 13.5	\$ 14.7	\$ 14.1
less: Goodwill and identifiable intangibles, net of DTLs	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Tangible common equity	13.2	13.3	13.2	13.1	13.0	13.3	13.3	13.1	12.7	13.8	13.5	14.7	14.1
less: Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior)	(0.9)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
less: Series G discount	-	-	-	-	-	-	-	-	-	(1.2)	(1.2)	(2.3)	(2.3)
Adjusted tangible book value	[a] \$ 12.3	\$ 12.5	\$ 12.4	\$ 12.3	\$ 12.2	\$ 12.5	\$ 12.5	\$ 12.3	\$ 11.9	\$ 11.7	\$ 11.4	\$ 11.4	\$ 10.9
Denominator													
Issued shares outstanding (period-end, thousands)	[b] 437,054	443,796	452,292	462,193	467,000	475,470	483,753	483,475	481,980	481,750	481,750	481,503	480,095
Metric													
GAAP shareholder's equity per share	\$ 30.9	\$ 30.6	\$ 29.8	\$ 28.9	\$ 28.5	\$ 28.7	\$ 28.1	\$ 28.6	\$ 27.9	\$ 30.3	\$ 29.7	\$ 33.1	\$ 32.1
less: Preferred equity per share	-	-	-	-	-	-	-	(1.4)	(1.4)	(1.7)	(1.7)	(2.6)	(2.6)
GAAP common shareholder's equity per share	\$ 30.9	\$ 30.6	\$ 29.8	\$ 28.9	\$ 28.5	\$ 28.7	\$ 28.1	\$ 27.2	\$ 26.4	\$ 28.6	\$ 28.0	\$ 30.5	\$ 29.5
less: Goodwill and identifiable intangibles, net of DTLs per share	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Tangible common equity per share	30.2	29.9	29.2	28.3	27.9	28.0	27.6	27.1	26.4	28.6	27.9	30.4	29.4
less: Tax-effected Core OID balance (21% tax rate starting 4Q17, 35% starting 1Q16; 34% prior) per share	(2.1)	(1.8)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.9)
less: Series G discount per share	-	-	-	-	-	-	-	-	-	(2.4)	(2.4)	(4.9)	(4.9)
Adjusted tangible book value per share	[a] / [b] \$ 28.1	\$ 28.2	\$ 27.4	\$ 26.6	\$ 26.2	\$ 26.3	\$ 25.9	\$ 25.4	\$ 24.6	\$ 24.3	\$ 23.7	\$ 23.7	\$ 22.7

**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.

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



## GAAP to Core Results - Annual



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

Numerator (\$ millions)**GAAP net income attributable to common shareholders**

less: Discontinued operations, net of tax  
 add back: Core OID  
 add back: Repositioning items  
 less: Core OID & Repositioning items tax (tax rate 35% starting 1Q16; 34% prior)  
 Significant discrete tax items & other  
 Series G Actions  
 Series A Actions

**Core net income attributable to common shareholders**

	FY 2017	FY 2016	FY 2015
<b>GAAP net income attributable to common shareholders</b>	<b>\$ 929</b>	<b>\$ 1,037</b>	<b>\$ (1,282)</b>
less: Discontinued operations, net of tax	(3)	44	(392)
add back: Core OID	71	59	59
add back: Repositioning items	-	11	349
less: Core OID & Repositioning items tax (tax rate 35% starting 1Q16; 34% prior)	(25)	(24)	(139)
Significant discrete tax items & other	119	(84)	22
Series G Actions	-	-	2,350
Series A Actions	-	1	22
<b>Core net income attributable to common shareholders</b>	<b>[a] \$ 1,091</b>	<b>\$ 1,043</b>	<b>\$ 990</b>

Denominator (2-period average, \$ billions)**GAAP shareholder's equity**

less: Preferred equity  
 less: Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")  
 Tangible common equity  
 less: Core OID balance  
 less: Net deferred tax asset ("DTA")

**Normalized common equity**

<b>GAAP shareholder's equity</b>	<b>\$ 13.4</b>	<b>\$ 13.4</b>	<b>\$ 14.4</b>
less: Preferred equity	-	(0.3)	(1.0)
less: Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")	(0.3)	(0.2)	(0.0)
<b>Tangible common equity</b>	<b>\$ 13.1</b>	<b>\$ 12.9</b>	<b>\$ 13.4</b>
less: Core OID balance	(1.2)	(1.3)	(1.3)
less: Net deferred tax asset ("DTA")	(0.7)	(1.2)	(1.6)
<b>Normalized common equity</b>	<b>[b] \$ 11.2</b>	<b>\$ 10.4</b>	<b>\$ 10.5</b>

**Core Return on Tangible Common Equity**

<b>[a] / [b]</b>	<b>9.8%</b>	<b>10.0%</b>	<b>9.4%</b>
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**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 utilized a static 34% tax rate for purposes of calculating Core ROTCE through 4Q 2015. As of 1Q 2016, Ally's Core net income attributable to common shareholders for purposes of calculating Core ROTCE is based on the actual effective tax rate for the period adjusted for any discrete tax items including tax reserve releases, which aligns with the methodology used in calculating adjusted earnings per share.

- (1) In the numerator of Core ROTCE, GAAP net income attributable to common shareholders is adjusted for discontinued operations net of tax, tax-effected Core OID, tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, certain discrete tax items and preferred stock capital actions.
- (2) In the denominator, GAAP shareholder's equity is adjusted for preferred equity and goodwill and identifiable intangibles net of DTL, Core OID balance, and net DTA.

# GAAP to Core Results - Quarterly

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

	QUARTERLY TREND				
	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
<b>Numerator</b> (\$ millions)					
<b>GAAP net income attributable to common shareholders</b>	<b>\$ 181</b>	<b>\$ 282</b>	<b>\$ 252</b>	<b>\$ 214</b>	<b>\$ 248</b>
less: Discontinued operations, net of tax	(2)	(2)	2	(1)	(2)
add back: Core OID	19	18	17	16	15
less: Core OID tax (tax rate 35%)	(7)	(6)	(6)	(6)	(5)
Significant discrete tax items & other	119	-	-	-	-
<b>Core net income attributable to common shareholders</b>	<b>[a] \$ 310</b>	<b>\$ 292</b>	<b>\$ 265</b>	<b>\$ 224</b>	<b>\$ 256</b>
<b>Denominator</b> (2-period average, \$ billions)					
<b>GAAP shareholder's equity</b>	<b>\$ 13.5</b>	<b>\$ 13.5</b>	<b>\$ 13.4</b>	<b>\$ 13.3</b>	<b>\$ 13.5</b>
less: Goodwill & identifiable intangibles, net of deferred tax liabilities ("DTLs")	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Tangible common equity	\$ 13.2	\$ 13.2	\$ 13.1	\$ 13.0	\$ 13.2
less: Core OID balance	(1.2)	(1.2)	(1.2)	(1.2)	(1.3)
less: Net deferred tax asset ("DTA")	(0.6)	(0.7)	(0.9)	(1.0)	(1.0)
<b>Normalized common equity</b>	<b>[b] \$ 11.5</b>	<b>\$ 11.3</b>	<b>\$ 11.1</b>	<b>\$ 10.8</b>	<b>\$ 10.9</b>
<b>Core Return on Tangible Common Equity</b>	<b>[a] / [b] 10.8%</b>	<b>10.3%</b>	<b>9.6%</b>	<b>8.2%</b>	<b>9.4%</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 utilized a static 34% tax rate for purposes of calculating Core ROTCE through 4Q 2015. As of 1Q 2016, Ally's Core net income attributable to common shareholders for purposes of calculating Core ROTCE is based on the actual effective tax rate for the period adjusted for any discrete tax items including tax reserve releases, which aligns with the methodology used in calculating adjusted earnings per share.

- (1) In the numerator of Core ROTCE, GAAP net income attributable to common shareholders is adjusted for discontinued operations net of tax, tax-effected Core OID, tax-effected repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities, certain discrete tax items and preferred stock capital actions.
- (2) In the denominator, GAAP shareholder's equity is adjusted for preferred equity and goodwill and identifiable intangibles net of DTL, Core OID balance, and net DTA.

## GAAP to Core Results - Annual

Adjusted Efficiency RatioNumerator (\$ millions)**Total noninterest expense**

less: Rep and warrant expense

less: Insurance expense

less: Repositioning items

**Adjusted noninterest expense for the efficiency ratio**Denominator (\$ millions)**Total net revenue**

add: Core OID

add: Repositioning items

less: Insurance revenue

**Adjusted net revenue for the efficiency ratio****Adjusted Efficiency Ratio**

	FY 2017	FY 2016	FY 2015	FY 2014
<b>Total noninterest expense</b>	<b>\$ 3,110</b>	<b>\$ 2,939</b>	<b>\$ 2,761</b>	<b>\$ 2,948</b>
less: Rep and warrant expense	(0)	(6)	(13)	(10)
less: Insurance expense	950	940	879	988
less: Repositioning items	-	9	7	39
<b>Adjusted noninterest expense for the efficiency ratio</b>	<b>[a] \$ 2,160</b>	<b>\$ 1,997</b>	<b>\$ 1,888</b>	<b>\$ 1,932</b>
<b>Total net revenue</b>	<b>\$ 5,765</b>	<b>\$ 5,437</b>	<b>\$ 4,861</b>	<b>\$ 4,651</b>
add: Core OID	71	59	59	186
add: Repositioning items	-	3	342	148
less: Insurance revenue	1,118	1,097	1,090	1,185
<b>Adjusted net revenue for the efficiency ratio</b>	<b>[b] \$ 4,718</b>	<b>\$ 4,401</b>	<b>\$ 4,172</b>	<b>\$ 3,800</b>
<b>Adjusted Efficiency Ratio</b>	<b>[a] / [b] 45.8%</b>	<b>45.4%</b>	<b>45.3%</b>	<b>50.8%</b>

**Adjusted efficiency ratio** is a non-GAAP financial measure that management believes is helpful to readers in comparing the efficiency of its core banking and lending businesses with those of its peers. In the numerator of Adjusted efficiency ratio, total noninterest expense is adjusted for Insurance segment expense, repositioning items primarily related to strategic activities and rep and warrant expense. In the denominator, total net revenue is adjusted for Insurance segment revenue, repositioning items primarily related to the extinguishment of high-cost legacy debt and Core OID. See page 26 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance business.

# GAAP to Core Results - Quarterly

## Adjusted Efficiency Ratio

	QUARTERLY TREND				
	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
<b><u>Numerator</u></b> (\$ millions)					
<b>Total noninterest expense</b>	\$ 769	\$ 753	\$ 810	\$ 778	\$ 721
less: Rep and warrant expense	(0)	(0)	(0)	(0)	(0)
less: Insurance expense	213	218	280	239	207
<b>Adjusted noninterest expense for the efficiency ratio</b>	<b>[a] \$ 556</b>	<b>\$ 535</b>	<b>\$ 530</b>	<b>\$ 539</b>	<b>\$ 514</b>
<b><u>Denominator</u></b> (\$ millions)					
<b>Total net revenue</b>	\$ 1,473	\$ 1,462	\$ 1,455	\$ 1,375	\$ 1,368
add: Core OID	19	18	17	16	15
less: Insurance revenue	293	287	259	279	276
<b>Adjusted net revenue for the efficiency ratio</b>	<b>[b] \$ 1,199</b>	<b>\$ 1,193</b>	<b>\$ 1,213</b>	<b>\$ 1,112</b>	<b>\$ 1,107</b>
<b>Adjusted Efficiency Ratio</b>	<b>[a] / [b] 46.4%</b>	<b>44.9%</b>	<b>43.7%</b>	<b>48.5%</b>	<b>46.4%</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. In the numerator of Adjusted efficiency ratio, total noninterest expense is adjusted for Insurance segment expense and Rep and warrant expense. In the denominator, total net revenue is adjusted for Insurance segment revenue and Core OID. See page 26 for the combined ratio for the Insurance segment which management uses as a primary measure of underwriting profitability for the Insurance business.

## Notes on non-GAAP and other financial measures

Regulatory Capital - Basel III transition to fully phased-in (\$ billions)Numerator**Common equity tier 1 capital (transition)**

DTAs arising from NOL and tax credit carryforwards phased-in during transition

Intangibles phased-in during transition

**Common equity tier 1 capital (fully phased-in)**Denominator**Risk-weighted assets (transition)**

DTAs arising from temporary differences that could not be realized through NOL ,

net of VA and net of DTLs phased-in during transition

Intangibles phased in during transition

**Risk-weighted assets (fully phased-in)**Metric**Common equity tier 1 (transition)****Common equity tier 1 (fully phased-in)**

	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16
<b>Common equity tier 1 capital (transition)</b>	<b>\$ 13.2</b>	<b>\$ 13.2</b>	<b>\$ 13.1</b>	<b>\$ 12.9</b>	<b>\$ 13.0</b>
DTAs arising from NOL and tax credit carryforwards phased-in during transition	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Intangibles phased-in during transition	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Common equity tier 1 capital (fully phased-in)</b>	<b>\$ 13.2</b>	<b>\$ 13.1</b>	<b>\$ 13.0</b>	<b>\$ 12.8</b>	<b>\$ 12.7</b>
<b>Risk-weighted assets (transition)</b>	<b>\$ 138.9</b>	<b>\$ 135.6</b>	<b>\$ 137.9</b>	<b>\$ 137.4</b>	<b>\$ 138.5</b>
DTAs arising from temporary differences that could not be realized through NOL ,	0.3	0.4	0.4	0.4	0.5
net of VA and net of DTLs phased-in during transition	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Intangibles phased in during transition	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Risk-weighted assets (fully phased-in)</b>	<b>\$ 139.2</b>	<b>\$ 136.0</b>	<b>\$ 138.4</b>	<b>\$ 137.9</b>	<b>\$ 139.0</b>
<b>Common equity tier 1 (transition)</b>	<b>9.5%</b>	<b>9.7%</b>	<b>9.5%</b>	<b>9.4%</b>	<b>9.4%</b>
<b>Common equity tier 1 (fully phased-in)</b>	<b>9.5%</b>	<b>9.6%</b>	<b>9.4%</b>	<b>9.3%</b>	<b>9.1%</b>

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

## Notes on non-GAAP and other financial measures



(\$ millions)	4Q 17			3Q 17			4Q 16		
	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>
<b>Consolidated Ally</b>									
Net financing revenue	\$ 1,094	\$ 19	\$ 1,113	\$ 1,081	\$ 18	\$ 1,099	\$ 976	\$ 15	\$ 991
Total other revenue	379	-	379	381	-	381	392	-	392
Provision for loan losses	294	-	294	314	-	314	267	-	267
Noninterest expense	769	-	769	753	-	753	721	-	721
<b>Pre-tax income from continuing operations</b>	<b>\$ 410</b>	<b>\$ 19</b>	<b>\$ 429</b>	<b>\$ 395</b>	<b>\$ 18</b>	<b>\$ 413</b>	<b>\$ 380</b>	<b>\$ 15</b>	<b>\$ 395</b>
<b>Corporate / Other (incl. Legacy &amp; Wealth)</b>									
Net financing revenue	\$ 60	\$ 19	\$ 79	\$ 45	\$ 18	\$ 63	\$ (8)	\$ 15	\$ 7
Total other revenue (loss)	23	-	23	20	-	20	43	-	43
Provision for loan losses	(3)	-	(3)	(5)	-	(5)	2	-	2
Noninterest expense	75	-	75	68	-	68	66	-	66
<b>Pre-tax (loss) income from continuing operations</b>	<b>\$ 11</b>	<b>\$ 19</b>	<b>\$ 30</b>	<b>\$ 2</b>	<b>\$ 18</b>	<b>\$ 20</b>	<b>\$ (33)</b>	<b>\$ 15</b>	<b>\$ (18)</b>

(\$ millions)	FY 2017			FY 2016			FY 2015			FY 2014		
	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>	GAAP	Core OID & Repositioning Items	Non-GAAP <sup>(1)</sup>
<b>Consolidated Ally</b>												
Net financing revenue	\$ 4,221	\$ 71	\$ 4,292	\$ 3,907	\$ 57	\$ 3,964	\$ 3,719	\$ 45	\$ 3,764	\$ 3,375	\$ 172	\$ 3,547
Total other revenue	1,544	-	1,544	1,530	4	1,534	1,142	356	1,498	1,276	162	1,438
Total net revenue	5,765	71	5,836	5,437	61	5,498	4,861	401	5,262	4,651	334	4,985
Provision for loan losses	1,148	-	1,148	917	-	917	707	-	707	457	-	457
Noninterest expense	3,110	-	3,110	2,939	(9)	2,931	2,761	(7)	2,754	2,948	(39)	2,909
<b>Pre-tax income from continuing operations</b>	<b>\$ 1,507</b>	<b>\$ 71</b>	<b>\$ 1,578</b>	<b>\$ 1,581</b>	<b>\$ 70</b>	<b>\$ 1,651</b>	<b>\$ 1,393</b>	<b>\$ 408</b>	<b>\$ 1,801</b>	<b>\$ 1,246</b>	<b>\$ 373</b>	<b>\$ 1,619</b>

(1) Non-GAAP line items walk to Core pre-tax income, a non-GAAP financial measure that adjusts pre-tax income. See page 36 for definitions.

# Notes on non-GAAP and other financial measures



## Original issue discount amortization expense

(\$ millions)

Original issue discount amortization expense (\$ millions)	ANNUAL TREND				QUARTERLY TREND												
	FY 2017	FY 2016	FY 2015	FY 2014	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
Core original issue discount (Core OID) amortization expense <sup>(1)</sup>	\$ 71	\$ 57	\$ 45	\$ 172	\$ 19	\$ 18	\$ 17	\$ 16	\$ 15	\$ 15	\$ 14	\$ 13	\$ 12	\$ 11	\$ 11	\$ 10	\$ 36
Other OID	20	21	16	11	5	5	5	5	6	6	4	5	5	5	4	4	4
GAAP original issue discount amortization expense	\$ 90	\$ 78	\$ 61	\$ 183	\$ 24	\$ 23	\$ 22	\$ 21	\$ 21	\$ 21	\$ 18	\$ 18	\$ 17	\$ 16	\$ 15	\$ 14	\$ 40

## Outstanding original issue discount balance

(\$ millions)

Outstanding original issue discount balance (\$ millions)	ANNUAL TREND				QUARTERLY TREND												
	FY 2017	FY 2016	FY 2015	FY 2014	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
Core outstanding original issue discount balance (Core OID balance)	\$ (1,178)	\$ (1,249)	\$ (1,304)	\$ (1,351)	\$ (1,178)	\$ (1,197)	\$ (1,215)	\$ (1,232)	\$ (1,249)	\$ (1,264)	\$ (1,279)	\$ (1,293)	\$ (1,304)	\$ (1,316)	\$ (1,327)	\$ (1,339)	\$ (1,351)
Other outstanding OID balance	(57)	(77)	(87)	(64)	(57)	(62)	(67)	(72)	(77)	(83)	(88)	(82)	(87)	(84)	(89)	(86)	(64)
GAAP outstanding original issue discount balance	\$ (1,235)	\$ (1,326)	\$ (1,391)	\$ (1,415)	\$ (1,235)	\$ (1,259)	\$ (1,282)	\$ (1,304)	\$ (1,326)	\$ (1,347)	\$ (1,367)	\$ (1,375)	\$ (1,391)	\$ (1,400)	\$ (1,416)	\$ (1,425)	\$ (1,415)

(1) Excludes accelerated OID. See page 36 for definitions.

## Net Financing Revenue (ex. Core OID)

(\$ millions)

Net Financing Revenue (ex. Core OID) (\$ millions)	QUARTERLY TREND													
	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14	
GAAP Net Financing Revenue	\$ 1,094	\$ 1,081	\$ 1,067	\$ 979	\$ 976	\$ 996	\$ 984	\$ 951	\$ 983	\$ 970	\$ 916	\$ 850	\$ 799	
Core OID	19	18	17	16	15	15	14	13	12	11	11	10	36	
Net Financing Revenue (ex. Core OID)	\$ 1,113	\$ 1,099	\$ 1,084	\$ 995	\$ 991	\$ 1,011	\$ 998	\$ 964	\$ 995	\$ 981	\$ 927	\$ 860	\$ 835	

## Adjusted Other Revenue

(\$ millions)

Adjusted Other Revenue (\$ millions)	QUARTERLY TREND												
	4Q 17	3Q 17	2Q 17	1Q 17	4Q 16	3Q 16	2Q 16	1Q 16	4Q 15	3Q 15	2Q 15	1Q 15	4Q 14
GAAP Other Revenue	\$ 379	\$ 381	\$ 388	\$ 396	\$ 392	\$ 388	\$ 374	\$ 376	\$ 356	\$ 332	\$ 211	\$ 243	\$ 215
Accelerated OID & repositioning items	-	-	-	-	-	-	-	4	2	-	157	197	155
Adjusted Other Revenue	[b] \$ 379	\$ 381	\$ 388	\$ 396	\$ 392	\$ 388	\$ 374	\$ 380	\$ 358	\$ 332	\$ 368	\$ 440	\$ 370

## Adjusted Total Net Revenue

(\$ millions)

<b>Adjusted Total Net Revenue</b>	<b>[a]+[b] \$ 1,492</b>	<b>\$ 1,480</b>	<b>\$ 1,472</b>	<b>\$ 1,391</b>	<b>\$ 1,383</b>	<b>\$ 1,399</b>	<b>\$ 1,372</b>	<b>\$ 1,344</b>	<b>\$ 1,353</b>	<b>\$ 1,313</b>	<b>\$ 1,295</b>	<b>\$ 1,301</b>	<b>\$ 1,205</b>
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Note: Accelerated OID and repositioning items primarily related to the extinguishment of high-cost legacy debt and strategic activities. See page 36 for definitions.