Ally Financial Inc.
Resolution Plan

Public Section
December 31, 2017

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Public Section

I. Introduction

Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") and regulations ("Section 165(d) Rule") jointly issued by the Board of Governors of the Federal Reserve System ("Federal Reserve") and the Federal Deposit Insurance Corporation ("FDIC") require Ally Financial Inc. ("AFI" or "Ally Financial" and, together with its consolidated subsidiaries including Ally Bank, "Ally"), as a bank holding company with assets of $50.0 billion or more, to submit to the Federal Reserve and the FDIC a plan ("Section 165(d) Plan") for Ally's rapid and orderly resolution in the event of material financial distress or failure. For purposes of resolution planning, the term "material financial distress" as applied to Ally means that (i) Ally has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for Ally to avoid such depletion; (ii) Ally's assets are, or are likely to be, less than its obligations to creditors and others; or (iii) Ally is, or is likely to be, unable to pay its obligations (other than those subject to a *bona fide* dispute) in the normal course of business.

Ally's Section 165(d) Plan must consider and address how a hypothetical resolution of Ally under the U.S. Bankruptcy Code ("Bankruptcy Code") could be accomplished - without reliance on the provision of extraordinary support by the United States (which is prohibited under the Dodd-Frank Act) - in a reasonable period of time and in a manner that substantially mitigates the risk that Ally's failure would have serious adverse effects on the financial stability of the United States. Ally's Section 165(d) Plan must also describe Ally's strategy for ensuring that Ally Bank will be adequately protected from risks arising from the activities of AFI and its nonbank subsidiaries (other than those that are subsidiaries of Ally Bank). Finally, Ally must update its Section 165(d) Plan at least annually, unless otherwise prescribed jointly by the Federal Reserve and the FDIC, and Ally must provide notice to the Federal Reserve and the FDIC of any event, occurrence, change in conditions or circumstances, or other change that results in or could reasonably be foreseen to have a material effect on Ally's resolution.

A separate regulation issued by the FDIC to complement the resolution plan requirements of the Dodd-Frank Act ("IDI Rule" and, together with the Section 165(d) Rule, the "Rules") requires Ally Bank, as an FDIC-insured bank with assets of $50.0 billion or more, to submit to the FDIC a plan ("IDI Plan" and, together with the Section 165(d) Plan, the "Plans") demonstrating how Ally Bank could be resolved in an orderly and timely manner in the event of its failure. In addition to this Section 165(d) Plan, Ally Bank has prepared and will submit the IDI Plan to the FDIC according to the IDI Rule prior to July 1, 2018.

As required by the Section 165(d) Rule and the Supervisory Guidance, the Section 165(d) Plan considers strategies for the resolution of Ally as a result of multiple, sudden, unforeseen, idiosyncratic operational risk loss events ("Operational Events") that cause material capital impairment at Ally Bank and results in "material financial distress" and entrance into FDIC receivership. Further, the Section 165(d) Plan takes into account the fact that these events may occur at a time when general macroeconomic conditions are consistent with the 2017 Severely Adverse economic scenario developed by the Federal Reserve pursuant to the stress-testing requirements of Section 165(i) of the Dodd-Frank Act ("DFAST Scenarios"). *See* 12 C.F.R. §§ 243.4 (a)(4); 360.10(c)(2); 381.4(a)(4) (2013). It also assumes that other market participants have not been adversely affected by the idiosyncratic events that caused the failure of Ally. It further assumes that no extraordinary government support or assistance will be provided.

On December 16, 2014, the FDIC released Guidance for Covered Insured Depository Institution Resolution Plan Submissions (2014 Guidance), applicable to Covered Insured Depository Institutions (CIDI) Resolution Plan submissions. The 2014 Guidance provided that defined obstacles must be mitigated with developed project plans, the CIDI must fail and the CIDI plan should be detailed and demonstrate how the selected strategy is both reasonable and least costly to the Deposit Insurance Fund (DIF).

In addition, on March 24, 2017 the FDIC and the Federal Reserve Board jointly released feedback from their evaluation of the 2015 Section 165(d) resolution plans of 16 domestic banks, including Ally. Ally's feedback letter clarified expectations and called out Ally specific points of feedback to address in the 2017 165(d) Plan submission.

Ally supports the objective of mitigating systemic risk and improving financial stability. Ally believes that resolution planning is important and has developed the 2017 Section 165(d) Plan to comply with the requirements applicable to Ally under the Section 165(d) Rule, the 2014 Guidance and the Supervisory Guidance.

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II. Overview of Ally

Ally Financial Inc. ("AFI" and, together with its consolidated subsidiaries, as "Ally"), is an independent, diversified digital financial services provider with $162.1 billion in assets as of March 31, 2017. Ally, formerly General Motors Acceptance Corporation (GMAC), has a legacy that dates back to 1919, and was redesigned in 2009 with a distinctive brand and relentless focus on customers. AFI is a leading automotive financial services company with nearly 100 years of experience and provides diversified financial products for consumers, businesses, automotive dealers and corporate clients.

On December 24, 2008, GMAC received approval from the Federal Reserve to become a bank holding company under the Bank Holding Company Act of 1956 (“BHC Act”). Subsequently, Ally elected to become a financial holding company under the BHC Act, which election was approved by the Federal Reserve and became effective on December 20, 2013. AFI's insured banking subsidiary, Ally Bank, is an award-winning online bank, and is an indirect wholly owned subsidiary of AFI and a leading franchise in the growing direct banking business (banking through the internet and by telephone, mobile, and mail). On March 31, 2017, Ally Bank had $84.5 billion in deposits, made up of: $70.0 billion of retail deposits, $14.3 billion in brokered deposits and $0.2 billion of other deposits.

AFI's consolidating balance sheet as of March 31, 2017 is attached as Exhibit 1 to this Resolution Plan. AFI's consolidating income statement for December 31, 2016 is attached as Exhibit 2 to this Resolution Plan.

Ally reports results of operations on a line of business basis. Dealer Financial Services (which includes Automotive Finance and Insurance operations), Mortgage Finance, and Corporate Finance are the primary lines of business. The remaining activity primarily consists of activity related to centralized corporate treasury activities, the management of the legacy mortgage portfolio, the activity related to the wealth management portfolio, and reclassifications and eliminations between the reportable operating segments reported in Corporate and Other.

The Dealer Financial Services business is centered on Ally's strong and longstanding relationships with automotive dealers and serves the financial needs of almost 18,400 dealers, including over 11,500 dealers outside of the General Motors Company ("GM") and Fiat Chrysler Automobiles US LLC ("Chrysler") channels ("Non-GM/Chrysler"), and approximately 4.4 million of their retail customers with a wide range of financial services and insurance products. Ally believes its dealer-focused business model makes it the preferred automotive finance company for thousands of its automotive dealer customers. Ally has developed particularly strong relationships with thousands of dealers from its longstanding relationship with GM as well as other manufacturers, including Chrysler, providing Ally with an extensive understanding of the operating needs of these dealers relative to other automotive finance companies. In addition, Ally has established relationships with thousands of Non-GM/Chrysler dealers through its customer-centric approach and specialized incentive programs. During calendar year 2016, Ally acquired 1.3 million Retail Installment Sale Contracts ("RISCs") and leases totaling approximately $36.1 billion.

Ally's strategy is to maintain its position in automotive finance in the United States by continuing to provide automotive dealers and their retail customers with premium service, a comprehensive product suite, consistent funding, and competitive pricing, reflecting Ally's commitment to the automotive industry. Ally is focused on expanding profitable dealer relationships, prudent earning asset growth, and higher risk-adjusted returns. Ally's strategy continues to focus on diversifying the franchise by expanding into different products as well as strengthening its network of dealer relationships. Over the past several years, Ally has increased its focus on the Non-GM/Chrysler channel, which has resulted in new standard, used, and leased vehicle financing volume.

Ally Bank's Direct Banking Core Business Line raises deposits directly from customers through direct banking via internet, telephone, mobile and mail channels. Ally Bank has established a retail banking franchise that is based on a promise of being straightforward and easy to use, and on offering high-quality customer service. The success of Ally Bank's deposit franchise is driven by alignment with desires of the modern banking consumer: transparency, simplicity, self-directed functionality delivered digitally, fair rates and fees, and high customer service expectations. Ally Bank's products and services are designed to develop long-term customer relationships and capitalize on the shift in consumer preference away from branch banking in favor of direct banking. Ally Bank offers a suite of consumer banking products.

Additionally, during 2016, the deposit base at Ally Bank grew $11.1 billion, an increase of over 20% from December 31, 2015.

The information contained in the Section 165(d) Plan has been prepared in accordance with applicable regulatory requirements and guidance. Any differences in the presentation of information concerning Ally or Ally Bank's businesses and operations relative to how Ally presents such information for other purposes is solely due to Ally's efforts to comply with the Rules, the Supervisory Guidance, and the FDIC Guidance. The information presented in the Plans, including the designation of "Material Entities," "Core Business Lines," and "critical operations," does not, in any way, reflect changes to Ally or Ally Bank's organizational structure, business practices, or strategy.

In addition, the information in this Public Section concerning Ally's assets, liabilities, capital, and funding sources has been extracted from AFI's Annual Report on Form 10-K for the year ended December 31, 2016 ("2016 Form 10-K") or AFI's Quarterly Return on Form 10-Q for the quarter ended March 31, 2017, as applicable ("1Q 2017 Form 10-Q"). Unless otherwise indicated, such information is as of the date of the periods presented in the 2016 Form 10-K or 2017 Form 10-Q. Additional information related to Ally, including information about Ally's business and strategic actions, can be found in AFI's reports filed with the Securities and Exchange Commission ("SEC"), including the 2016 Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K (each a "'34 Act Report"). Current and future '34 Act Reports can be viewed, as they become available, on the SEC's website at www.sec.gov and at www.ally.com/about/investor/sec-filings. Information contained in '34 Act Reports that Ally files with the SEC subsequent to the date of the 2016 Form 10-K may modify, update, and supersede information contained in the 2016 Form 10-K and information provided in this Public Section.

This Public Section and Ally's '34 Act Reports use forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "explore," "positions," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of those words or similar expressions, are intended to identify forward-looking statements. All statements in this Public Section and AFI's '34

Act Reports, other than statements of historical fact, including statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent Ally's current judgment on what the future may hold, and Ally believes these judgments are reasonable, these statements are not guarantees of any events or financial results, and Ally's actual results may differ materially due to numerous important factors that are described in Ally's '34 Act Reports, each of which may be revised or supplemented in future '34 Act Reports filed with the SEC. Factors that could cause Ally's actual results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of the 2016 Form 10-K and AFI's Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the SEC.

All forward-looking statements speak only as of the date on which such statements are made, and Ally undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other such factors that affect the subject of these statements, except where expressly required by law.

II.A. Names of Material Entities

Under the Section 165(d) Rule, a "Material Entity" is any Ally subsidiary or foreign office that is significant to the activities of a "Critical Operation" or "Core Business Line." *See* 12 C.F.R. §§ 243.2 (*l*); 381.2(*l*) (2014). For these purposes, a Critical Operation is an operation, including associated services, functions, and support, the failure or discontinuance of which, in Ally's view or the view of the Federal Reserve and the FDIC, would pose a threat to the financial stability of the United States. *Id*. §§ 243.2(g); 381.2(g). A Core Business Line is a business line, including associated operations, services, functions and support, the failure of which, in Ally's view, would result in a material loss of revenue, profit, or franchise value. *Id*. §§ 243.2(d); 381.2(d).

Based on the criteria set forth in the definitions of these terms, Ally performed a multi-factor review to identify four Material Entities using a number of metrics, including assets, liabilities, and capital; revenues and expenses; organizational significance; and staffing levels.

The following table lists Ally's Material Entities under the headings of "Covered Company" and "Material Operating Entities."

Covered Company	Material Operating Entities
Ally Financial Inc.	**Ally Financial Inc.** (Automotive finance) **Ally Bank** (FDIC-insured U.S. bank) **Motors Insurance Corporation** (Insurance company) **Ally Servicing LLC** (Auto accounts servicer)

As of January 1, 2016, AFI US LLC and GMAC Wholesale Mortgage Corp. are no longer Material Entities. They previously were staffing entities for AFI and Ally Bank, respectively. As of such date, all of their employees were transferred into the Material Entities, AFI and Ally Bank, respectively.

As part of Ally's ongoing resolution planning process, this list of Ally's Material Entities is subject to ongoing evaluation and updates.

II.B. Description of Core Business Lines

Ally is a leading digital financial services company that offers innovative products and services through auto financing, insurance, direct banking and corporate finance businesses. Ally Bank is an award-winning online bank, and an indirect, wholly-owned subsidiary of Ally Financial Inc., offering a variety of deposit and other banking products.

Ally's strategy focuses on diversifying the franchise by expanding automotive and banking product offerings. Within the Automotive Finance operations, Ally is focused on strengthening its network of dealer relationships and on the newer online marketplaces in line with Ally's risk appetite. This includes extending Ally's leading position in automotive finance in the U.S. by continuing to provide automotive dealers and their retail customers with premium service, a comprehensive product suite, consistent funding and competitive pricing, reflecting Ally's commitment to the automotive industry.

Ally's Automotive Finance Operations provide "Dealer Financial Services" (which include automotive finance and insurance operations) to the U.S. auto industry. Ally's primary customers are automotive dealers, which are typically independently owned businesses. Ally offers a wide range of financial services and insurance products to approximately 18,400 automotive dealerships and approximately 4.4 million of their retail customers. Ally's automotive finance services include acquiring RISCs and leases from dealers, offering term loans to dealers (including real estate and construction loans), financing dealer floorplans and other lines of credit to dealers, fleet financing, and vehicle remarketing services. Through its insurance affiliates, Ally also offers retail vehicle service contracts (“VSCs”), guaranteed automotive protection (“GAP”) products (which permit the recovery of a specified economic loss beyond the covered vehicle's value in the event the vehicle is damaged and declared a total loss), commercial insurance primarily covering dealers' wholesale vehicle inventories, and maintenance coverage.

Ally Bank seeks to broaden and deepen the franchise, by prudently expanding consumer and commercial banking products, while providing a high level of customer service.

Ally’s business model consists essentially of three primary businesses and for 2017 Section 165 (d) Plan purposes, three Core Business Lines: Automotive Finance, Insurance, and Direct Banking - that coordinate their activities to provide an integrated suite of products and services to defined customer segments. Automotive Finance operates predominantly out of Ally Bank and limitedly out of AFI, Direct Banking operates out of Ally Bank, and Insurance operates out of Motors Insurance Corporation (“MIC”).

No other Ally business line met the criteria necessary to be classified as a Core Business Line.

Each Core Business Line is conducted through one or more of the Material Entities identified in Section II.A of this Public Section - Names of Material Entities.

1. Automotive Finance Core Business Line

Ally's Automotive Finance Core Business Line consists of automotive finance business generated in the United States. At March 31, 2017, the Automotive Finance Core Business Line had $115.20 billion of assets, and it generated $1.0 billion of total net financing revenue in 2016.

Ally manages commercial account servicing for the approximately 4,000 dealers that utilize its floorplan inventory lending or other commercial loans. Ally also provides consumer asset servicing for an $82.0 billion portfolio at March 31, 2017 (representing $76.1 billion of on-balance sheet assets and $5.9 billion of off-balance sheet assets). The extensive infrastructure and experience of Ally's servicing operations are important to Ally's ability to minimize credit losses and enable Ally to deliver a favorable customer experience to both its dealers and their retail customers.

The Automotive Finance Core Business Line's customers include the automotive dealers. Most automotive dealers are independently owned businesses. Ally's success as an automotive-finance provider is driven by the consistent and broad range of products and services it offers to dealers who enter into retail installment sale contracts and leases with their retail customers who are acquiring new and used vehicles. Ally's growth strategy continues to focus on diversifying the franchise by expanding into different products as well as strengthening its network of dealer relationships.

a. Commercial Automotive Financing

Ally's commercial automotive financing operations primarily fund dealers' purchases of new and used vehicle inventory, commonly referred to as wholesale or floorplan financing. This represents the largest portion of Ally's commercial automotive financing business. Floorplan loans are secured by vehicles financed (and typically all other vehicle inventory), which provide strong collateral protection in the event of dealership default. Additional collateral and credit support (e.g., personal guaranties from dealership owners) is often obtained to further manage credit risk. The amount Ally advances to dealers is equal to 100% of the wholesale invoice price of new vehicles; the amount Ally advances on used vehicles is based on either the dealer cost or wholesale value from vehicle guidebook, depending on the transaction. Interest on automotive floorplan financing is payable monthly and is indexed to a floating-rate benchmark. The rate for a particular dealer is based on, among other considerations, competitive factors and the dealer's creditworthiness. During 2016, Ally financed an average of $32.7 billion of dealer vehicle inventory through floorplan financings.

b. Consumer Automotive Financing

Ally's consumer automotive financing business focuses on the acquisition and servicing of RISCs and leases for both new and used vehicles. During 2016, Ally acquired approximately 1.3 million RISCs and leases, which together totaled approximately $36.0 billion.

Ally's consumer automotive financing operations generate revenue through financing and leasing payments by customers on RISCs and leases. Ally also recognizes a gain or loss on the remarketing of leased vehicles at the end of the lease. When a lease contract is acquired, Ally estimates the residual value of the leased vehicle at lease termination. Ally's actual sales proceeds from remarketing the vehicle may be higher or lower than the estimated residual value, depending on market conditions at lease termination.

c. Automotive Remarketing Services

Ally provides comprehensive automotive remarketing services, including the use of SmartAuction, its online auction platform, which efficiently supports dealer-to-dealer and other commercial wholesale vehicle transactions. In 2016, Ally and others, including dealers, fleet rental companies, and financial institutions, utilized SmartAuction to sell 367,000 vehicles to dealers and other commercial customers. SmartAuction served as the remarketing channel for approximately 57% of Ally's off-lease vehicles during 2016.

2. Insurance Core Business Line

Ally's Insurance Core Business Line offers both consumer financial protection and insurance products sold primarily through the automotive dealer channel, and commercial insurance products sold directly to dealers. As part of its focus on offering dealers a broad range of consumer financial and insurance products, Ally offers VSCs, GAP products, and maintenance coverage. Ally also underwrites selected commercial insurance coverages, which primarily insure dealers' wholesale vehicle inventory in the United States. The Insurance Core Business Line had $7.2 billion of assets at March 31, 2017, and generated $0.2 billion of total earned insurance premiums and service revenue in in Q1 2017.

Ally's VSCs for retail customers offer owners and lessees mechanical repair protection and roadside assistance for new and used vehicles beyond the manufacturer's new vehicle warranty. These VSCs cover virtually all makes and models and are marketed to the public through automotive dealers and on a direct response basis. Ally also offers GAP products in connection with retail installment sale and lease financing. Typically, the customer finances the cost of a VSC, a GAP product or both, together with the cost of the underlying vehicle, through the retail installment sale contract.

Wholesale vehicle inventory insurance for dealers provides physical damage protection for dealers' floorplan vehicles. Dealers are generally required to maintain such insurance by their floorplan-finance provider. During 2016, these insurance products were purchased by approximately 3,000 dealers. Among U.S. GM franchised dealers in the United States to whom Ally provides floorplan financing, its wholesale insurance product penetration rate is approximately 80%. Dealers who receive wholesale financing from Ally are eligible for wholesale insurance incentives, such as automatic eligibility in Ally’s preferred insurance programs.

A significant aspect of Ally's Insurance Core Business Line involves the investment of proceeds from premiums and other revenue sources. Ally uses these investments to satisfy its obligations when future claims are settled. The Insurance Core Business Line is guided by an investment committee, which develops investment guidelines and strategies. The guidelines established by this committee reflect Ally's risk tolerance, liquidity requirements, state insurance regulatory requirements, and rating agency considerations, among other factors.

3. Direct Banking Core Business Line

Ally Bank's Direct Banking Core Business Line raises deposits directly from customers through its Direct Banking Core Business Line via the internet, telephone, mobile, and mail channels. Ally Bank has established a retail banking franchise that is based on a promise of being straightforward and easy to use, and on offering high-quality customer service. The success of Ally Bank’s deposit franchise is driven by alignment with desires of the modern banking consumer: transparency, simplicity, self-directed functionality delivered digitally, fair rates and fees, and high customer service expectations. Ally Bank's products and services are designed to develop long-term customer relationships and capitalize on the shift in consumer preference away from branch banking in favor of direct banking.

Ally Bank's deposit product offerings include certificates of deposit ("CDs"), savings accounts, money market accounts ("MMAs"), interest checking, IRA deposit products, as well as an online checking product. In 2016, Ally Bank increased total deposits by 19 percent to $79.0 billion, while reducing the cost of those deposits. This growth came from existing customers looking to increase their relationship with Ally, and from the more than 150,000 new customers added during 2016. As of March 31, 2017, Ally Bank had $84.5 billion of total deposits, including $70.0 billion of retail deposits, $14.3 billion of brokered deposits and $0.2 billion of other deposits.

Additional information related to Ally's business can be found in AFI's '34 Act Reports, including the 2016 Form 10-K, AFI's Quarterly Report on Form 10-Q for March 31, 2016 ("1Q 2016 Form 10-Q"), AFI's Quarterly Report on Form 10-Q for the six months ended June 30, 2016 ("2Q 2016 Form 10-Q"), AFI's Quarterly Report on Form 10-Q for the nine months ended September 30, 2016 ("3Q 2016 Form 10-Q"), and AFI's Quarterly Report on Form 10-Q for March 31, 2017 ("1Q 2017 Form 10-Q") which are available at www.sec.gov and at www.ally.com/about/investor/sec-filings

II.C. Summary of Financial Information Regarding Assets, Liabilities, Capital and Liquidity

Ally's 2016 Form 10-K, 1Q 2017 Form 10-Q, 2Q 2017 Form 10-Q, and 3Q 2017 Form 10-Q include detailed financial reporting. The following financial information was extracted from the 1Q 2017 Form 10-Q and 2016 Form 10-K. Please refer to those respective filings for the related notes. The notes are an integral part of Ally's Consolidated Financial Statements on Form 10-K and Condensed Consolidated Financial Statements (unaudited) on Form 10-Q.

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Condensed Consolidated Balance Sheet (unaudited)

The following table presents Ally's Condensed Consolidated Balance Sheet (unaudited) from the 1Q 2017 Form 10-Q as of March 31, 2017 and December 31, 2016.

($ in millions)	**March 31, 2017**	December 31, 2016
Assets		
Cash and cash equivalents		
Noninterest-bearing	**$ 1,513**	$ 1,547
Interest-bearing	**2,789**	4,387
Total cash and cash equivalents	**4,302**	5,934
Available-for-sale securities	**20,308**	18,926
Held-to-maturity securities	**1,104**	839
Loans held-for-sale, net	**1**	—
Finance receivables and loans, net		
Finance receivables and loans, net of unearned income	**119,002**	118,944
Allowance for loan losses	**(1,155)**	(1,144)
Total finance receivables and loans, net	**117,847**	117,800
Investment in operating leases, net	**10,461**	11,470
Premiums receivable and other insurance assets	**1,944**	1,905
Other assets	**6,134**	6,854
Total assets	**$ 162,101**	$ 163,728
Liabilities		
Deposit liabilities		
Noninterest-bearing	**$ 102**	$ 84
Interest-bearing	**84,384**	78,938
Total deposit liabilities	**84,486**	79,022
Short-term borrowings	**8,371**	12,673
Long-term debt	**51,061**	54,128
Interest payable	**382**	351
Unearned insurance premiums and service revenue	**2,514**	2,500
Accrued expenses and other liabilities	**1,922**	1,737
Total liabilities	**148,736**	150,411
Equity		
Common stock and paid-in capital	**21,187**	21,166
Accumulated deficit	**(6,975)**	(7,151)
Accumulated other comprehensive loss	**(321)**	(341)
Treasury stock, at cost	**(526)**	(357)
Total equity	**13,365**	13,317
Total liabilities and equity	**$ 162,101**	$ 163,728

The Notes to the Condensed Consolidated Financial Statements (unaudited) accompanying Ally's Condensed Consolidated Balance Sheet (unaudited) in its 1Q 2017 Form 10-Q are an integral part of Ally's Condensed Consolidated Financial Statements (unaudited).

Consolidated Statement of Income

The following table presents Ally's Consolidated Statement of Income from the 2016 Form 10-K for the years ended December 31, 2016, December 31, 2015, and December 31, 2014.

Year ended December 31, *($ in millions)*	**2016**	2015	2014
Financing revenue and other interest income			
Interest and fees on finance receivables and loans	$ **5,162**	$ 4,570	$ 4,457
Interest on loans held-for-sale	**—**	40	1
Interest and dividends on investment securities and other earning assets	**418**	381	367
Interest on cash and cash equivalents	**14**	8	8
Operating leases	**2,711**	3,398	3,558
Total financing revenue and other interest income	**8,305**	8,397	8,391
Interest expense			
Interest on deposits	**830**	718	664
Interest on short-term borrowings	**57**	49	52
Interest on long-term debt	**1,742**	1,662	2,067
Total interest expense	**2,629**	2,429	2,783
Net depreciation expense on operating lease assets	**1,769**	2,249	2,233
Net financing revenue and other interest income	**3,907**	3,719	3,375
Other revenue			
Insurance premiums and service revenue earned	**945**	940	979
Gain on mortgage and automotive loans, net	**11**	45	7
Loss on extinguishment of debt	**(5)**	(357)	(202)
Other gain on investments, net	**185**	155	181
Other income, net of losses	**394**	359	311
Total other revenue	**1,530**	1,142	1,276
Total net revenue	**5,437**	4,861	4,651
Provision for loan losses	**917**	707	457
Noninterest expense			
Compensation and benefits expense	**992**	963	947
Insurance losses and loss adjustment expenses	**342**	293	410
Other operating expenses	**1,605**	1,505	1,591
Total noninterest expense	**2,939**	2,761	2,948
Income from continuing operations before income tax expense	**1,581**	1,393	1,246
Income tax expense from continuing operations	**470**	496	321
Net income from continuing operations	**1,111**	897	925
(Loss) income from discontinued operations, net of tax	**(44)**	392	225
Net income	$ **1,067**	$ 1,289	$ 1,150

Statement continues on the next page.

Year ended December 31, *(in dollars)*	**2016**	2015	2014
Basic earnings per common share			
Net income (loss) from continuing operations	$ **2.25**	$ (3.47)	$ 1.36
(Loss) income from discontinued operations, net of tax	**(0.09)**	0.81	0.47
Net income (loss)	$ **2.15**	$ (2.66)	$ 1.83
Diluted earnings per common share			
Net income (loss) from continuing operations	$ **2.24**	$ (3.47)	$ 1.36
(Loss) income from discontinued operations, net of tax	**(0.09)**	0.81	0.47
Net income (loss)	$ **2.15**	$ (2.66)	$ 1.83
Cash dividends per common share	$ **0.16**	$ —	$ —

Refer to Note 20 to the Consolidated Financial Statements in Ally's 2016 Form 10-K for further detail.

The Notes to Consolidated Financial Statements accompanying Ally's Consolidated Statement of Income in its 2016 Form 10-K are an integral part of Ally's audited Consolidated Financial Statements.

1. Capital

As a bank holding company ("BHC"), Ally and its wholly-owned state-chartered banking subsidiary, Ally Bank, are subject to capital requirements issued by U.S. banking regulators that require it to maintain risk-based and leverage capital ratios above minimum levels. A risk-based capital ratio is a ratio of a banking organization's regulatory capital to its risk-weighted assets. A leverage capital ratio is a ratio of a banking organization's regulatory capital to a measure of assets or exposures that is not risk-weighted. As of January 1, 2015, Ally and Ally Bank became subject to the rules implementing the 2010 Basel III capital framework in the United States (U.S. Basel III), which generally reflects higher capital requirements, capital buffers, and changes to regulatory capital definitions, deductions and adjustments, relative to the predecessor requirements implementing the Basel I capital framework in the United States. Certain aspects of U.S. Basel III, including the capital buffers and certain regulatory capital deductions, will be phased in over several years.

Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary action by regulators that, if undertaken, could have a direct material affect on the Consolidated Financial Statements or the results of operations and financial condition of Ally and Ally Bank. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, Ally and Ally Bank must meet specific capital guidelines that involve quantitative measures of capital, assets and certain off-balance sheet items. These measures and related classifications, which are used in the calculation of our risk-based and leverage capital ratios and those of Ally Bank, are also subject to qualitative judgments by the regulators about the components of capital, the risk-weightings of assets and other exposures, and other factors. The Board of Governors of the Federal Reserve System ("FRB") also uses these ratios and guidelines as part of the capital planning and stress testing processes.

In addition, for Ally to maintain its status as a financial holding company, AFI and its bank subsidiary, Ally Bank, must remain "well-capitalized" and "well-managed," as defined under applicable laws. The "well-capitalized" standard for insured depository institutions, such as Ally Bank, reflects the capital requirements under U.S. Basel III.

The following table summarizes our capital ratios under the U.S. Basel III capital framework.

	March 31, 2017		December 31, 2016		Required	Well-	
($ in millions)	Amount	Ratio	Amount	Ratio	minimum		capitalized minimum
Capital ratios							
Common Equity Tier 1 (to risk-weighted assets)							
Ally Financial Inc.	$ 12,923	9.40%	$ 12,978	9.37%	4.50%		(a)
Ally Bank	18,562	17.74	17,888	16.70	4.50		6.50%
Tier 1 (to risk-weighted assets)							
Ally Financial Inc.	$ 15,245	11.09%	$ 15,147	10.93%	6.00%		6.00%
Ally Bank	18,562	17.74	17,888	16.70	6.00		8.00
Total (to risk-weighted assets)							
Ally Financial Inc.	$ 17,459	12.70%	$ 17,419	12.57%	8.00%		10.00%
Ally Bank	19,167	18.32	18,458	17.24	8.00		10.00
Tier 1 leverage (to adjusted quarterly average assets) (b)							
Ally Financial Inc.	$ 15,245	9.51%	$ 15,147	9.54%	4.00%		(a)
Ally Bank	18,562	15.38	17,888	15.21	15.00	(c)	5.00%

(a) Currently, there is no ratio component for determining whether a BHC is "well-capitalized."
(b) Federal regulatory reporting guidelines require the calculation of adjusted quarterly average assets using a daily average methodology.
(c) Ally Bank has committed to the FRB to maintain a Tier 1 leverage ratio of at least 15%. Refer to the section below titled *Basel Capital Accord* for further discussion of Ally's capital commitments.

At March 31, 2017, AFI and Ally Bank were “well-capitalized” and met all applicable capital requirements to which each was subject.

2. Basel Capital Accord

Under U.S. Basel III, Ally must maintain a minimum Common Equity Tier 1 risk-based capital ratio of 4.5%, a minimum Tier 1 risk-based capital ratio of 6%, and a minimum Total risk-based capital ratio of 8%. In addition to these minimum requirements, Ally is also subject to a Common Equity Tier 1 capital conservation buffer of more than 2.5%, subject to a phase-in period from January 1, 2016 through December 31, 2018. Failure to maintain the full amount of the buffer will result in restrictions on Ally’s ability to make capital distributions, including dividend payment and stock repurchases and redemptions, and to pay discretionary bonuses to executive officers. In addition to these new risk-based capital standards, U.S. Basel III subjects all U.S. banking organizations, including Ally, to a minimum Tier 1 leverage ratio of 4%, the denominator of which takes into account only on-balance sheet assets.

U.S. Basel III also revised the eligibility criteria for regulatory capital instruments and provides for the phase-out of instruments that had previously been recognized as capital but that do not satisfy these criteria. Subject to certain exceptions (e.g., for certain debt or equity issued to the U.S. government under the Emergency Economic Stabilization Act), trust preferred and other “hybrid” securities are no longer included in a banking organization’s Tier 1 capital as of January 1, 2016. Also, subject to a phase-in schedule, certain items are deducted from Common Equity Tier 1 capital that had not previously been deducted from regulatory capital, and certain other deductions from regulatory capital have been modified. Among other things, U.S. Basel III requires significant investments in the common shares of unconsolidated financial institutions, MSRs, and certain deferred tax assets that exceed specified individual and aggregate thresholds to be deducted from Common Equity Tier 1 capital. U.S. Basel III also revised the standardized approach for calculating risk-weighted assets by, among other things, modifying certain risk weights and the methods for calculating risk-weighted assets for certain types of assets and exposures.

Ally is subject to the U.S. Basel III standardized approach for counterparty credit risk. It is not subject to the U.S. Basel III advanced approaches for counterparty credit risk. Ally is currently not subject to the U.S. market risk capital rule, which applies only to banking organizations with significant trading assets and liabilities.

On March 7, 2016, Ally Bank received approval from the Federal Reserve to become a state member bank. Ally Bank is now regulated by the FRB through the Federal Reserve Bank of Chicago, as well as the Utah Department of Financial Institutions. As a requirement of FRB membership, Ally held $435 million of FRB stock at March 31, 2017. In addition, in connection with the application for membership in the Federal Reserve System, Ally Bank made commitments to the FRB relating to capital, liquidity, and business plan requirements. These commitments are consistent with the prior requirements under the now-terminated Capital and Liquidity Maintenance Agreement with the FDIC including the requirement to maintain capital at a level such that Ally Bank's Tier 1 leverage ratio is at least 15%. For this purpose, the Tier 1 leverage ratio is determined in accordance with the FRB's regulations related to capital adequacy. On August 22, 2017, Ally announced that the Federal Reserve has released Ally Bank from the capital, liquidity, and business plan commitments that had been made in connection with its application for membership in the Federal Reserve System, including the commitment to maintain a Tier 1 leverage ratio of at least 15%. Ally Bank is now able manage its capital and liquidity subject to applicable regulatory requirements.

Compliance with capital requirements is a strategic priority for Ally, and expects to be in compliance with all applicable requirements within the established timeframes.

3. Capital Planning and Stress Tests

As a BHC with $50 billion or more of consolidated assets, Ally is required to conduct semi-annual company-run stress tests, is subject to an annual supervisory stress test conducted by the FRB, and must submit an annual capital plan to the FRB.

Ally’s capital plan must include a description of all planned capital actions over a nine-quarter planning horizon. The capital plan must also include a discussion of how Ally will maintain capital above the minimum regulatory capital ratios under Baseline, Adverse, and Severely Adverse economic scenarios, and serve as a source of strength to Ally Bank. The FRB must approve Ally's capital plan before Ally may take any capital action. Even with an approved capital plan, Ally must seek the approval of the FRB before making a capital distribution if, among other factors, Ally would not meet its regulatory capital requirements after making the proposed capital distribution.

As part of the 2016 Comprehensive Capital Analysis and Review (CCAR) process, Ally received non-objection from the FRB for capital actions which included a quarterly cash dividend of $0.08 per share of our common stock, subject to quarterly approval by the Board of Directors, and the ability to repurchase up to $700 million of our common stock from time to time through the second quarter of 2017. Ally's first common stock dividend of $0.08 per share was paid during the third quarter of 2016 and Ally paid a cash dividend of $0.08 per share on its common stock during each subsequent quarter. On April 14, 2017, the Ally Board of Directors declared a quarterly cash dividend payment of $0.08 per share on all common stock. Additionally, the Ally Board of Directors authorized a common stock repurchase program of up to $700 million beginning in the third quarter of 2016 and continuing through the second quarter of 2017. Under that program $495 million, or 25,140,190 shares of common stock, were repurchased, which reduced total shares by approximately 5.2% since inception. At March 31, 2017, Ally had 462,193,424 shares of common stock outstanding.

Ally submitted its 2017 capital plan on April 5, 2017 as part of the 2017 CCAR process, with capital actions including distributions to common shareholders through share repurchases and cash dividends. Ally received a non-objection from the FRB for the proposed capital actions. Refer to Note 18 to the Condensed Consolidated Financial Statements (unaudited) in Ally's Quarterly Report on Form 10-Q for the period ended June 30, 2017, for further discussion of the 2017 capital plan. Ally's ability to make capital distributions, including its ability to pay dividends or repurchase shares of its common stock, will continue to be subject to the FRB's review of, and non-objection to, the actions that Ally propose each year in the annual capital plan. The amount and size of any future dividends and share repurchases will depend upon Ally's results of operations, capital levels, future opportunities, consideration and approval by the Ally Board of Directors, and other considerations.

In January 2017, the FRB finalized a rule amending the capital planning and stress testing rules, effective for the 2017 cycle. The final rule, among other things, revised the capital plan rule to no longer subject large and non-complex firms, including Ally, to the provisions of the rule whereby the FRB may object to a capital plan on the basis of qualitative deficiencies in the firm's capital planning process. Under the final rule, the qualitative assessment of Ally's capital plan is conducted outside of the CCAR process, through the supervisory review process. The final rule also decreased the de minimis threshold for the amount of capital that Ally could distribute to shareholders outside of an approved capital plan without seeking prior approval of the FRB, and modified Ally's reporting requirements to reduce certain reporting burdens related to capital planning and stress testing.

4. Funding and Liquidity

Ally's funding strategy largely focuses on maintaining a diversified mix of retail and brokered deposits, public and private asset-backed securitizations, committed credit facilities, FHLB borrowings, and public unsecured debt. These funding sources are managed across products, markets, and investors to enhance funding flexibility, limit dependence on any one source and result in a more cost-effective long term funding strategy.

Prudent expansion of asset originations at Ally Bank and continued growth of a stable deposit base continues to be the cornerstone of Ally's long-term liquidity strategy. Retail deposits provide a low-cost source of funds that are less sensitive to interest rate changes, market volatility, or changes in credit ratings than other funding sources. At March 31, 2017, deposit liabilities at Ally Bank totaled $84.5 billion. Deposits represented 59% of Ally's total liability-based funding at March 31, 2017.

In addition to building a larger deposit base, Ally continues to remain active in the securitization markets to finance automotive loan portfolios. During 2016, Ally Bank issued $5.1 billion in secured funding backed by retail automotive loans. During the first three months of 2017, Ally issued an additional $3.0 billion in secured funding backed by retail automotive loans and dealer floorplan automotive assets. Secured funding transactions continue to be an attractive source of funding due to continued securitization structural efficiencies and the established market. Additionally, for retail loans and leases, the term structure of the transaction locks in funding for a specified pool of loans and leases for the life of the underlying assets. Once a pool of retail automotive loans is selected and placed into a securitization, the underlying assets and corresponding debt amortize simultaneously resulting in committed and matched funding for the life of the asset. Ally manages the execution risk arising from secured funding by maintaining a diverse investor base and maintaining committed secured facilities.

As Ally continues to prudently grow assets at Ally Bank and increase the bank's funding capabilities, the reliance on parent company liquidity has been reduced. At March 31, 2017, 75% of Ally's total assets were within Ally Bank. Funding sources at the parent company generally consist of longer-term unsecured debt, asset-backed securitizations, and private committed credit facilities. In 2016, Ally issued $900 million of unsecured debt and closed a $1.25 billion private unsecured committed credit facility. At March 31, 2017, Ally had $1.8 billion and $3.7 billion of remaining unsecured long-term debt principal maturing in 2017 and 2018, respectively. Ally plans to reduce its reliance on market-based funding and continue to replace a significant portion of the unsecured term debt with lower cost deposit funding.

The strategies outlined above have allowed Ally to build and maintain a conservative liquidity position. Total available liquidity at March 31, 2017 was $17.9 billion.

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II.D. Description of Derivative and Hedging Activities

Derivatives are instruments that derive their value from underlying asset prices, indices, reference rates, and other inputs, or a combination of these factors. Derivatives may be listed or traded on an exchange or they may be privately negotiated contracts, which are usually referred to as over-the-counter derivatives.

Ally enters into interest-rate, foreign exchange, and equity derivative transactions in connection with its market risk hedging activities. Ally's Enterprise Investment and Hedging Policy outlines permitted hedging strategies along with permitted hedging instruments per strategy.

Ally’s investment and hedging objectives include the following:

- Preserve capital by constructing a risk-return profile which minimizes periods of negative returns
- Manage investments to meet liquidity needs within the confines of the Enterprise Liquidity Risk Policy
- Maximize risk-adjusted returns with a specific emphasis on maintaining a stable and dependable flow of earnings
- Ensure investment portfolios are not concentrated in a single asset class, or other relevant concentration, which could adversely impact liquidity or earnings
- Employ hedging strategies that mitigate risks such as interest rate, equity, and foreign exchange risks
- Manage interest rate risk and maturities within the confines of the Enterprise Interest Rate Risk Policy
- Comply with all applicable laws and regulations, including the requirements of the Volcker Rule

The Hedging Desk manages all of Ally’s hedging activities, with the exception of equity and corporate bond hedging activities, which are managed by the Investment Desk.

1. Interest Rate Risk

Ally monitors the mix of fixed- and variable-rate assets and liabilities. When it is cost-effective to do so, Ally may enter into interest-rate hedges including swaps, forwards, futures, options to achieve the desired mix of fixed- and variable-rate assets and liabilities. The Enterprise Investment and Hedging Policy permits specific interest-rate hedging strategies along with specific instruments per strategy.

Balance sheet hedges are designed to support the management of the company’s overall interest rate risk. The objective of these strategies is to manage interest rate risk within the confines of the Enterprise Interest Rate Risk Policy, which is managed by Balance Sheet Management and approved by the Asset/Liability Committee ("ALCO") and Risk Committee(s) ("RC") of the AFI and Ally Bank Boards. Ally’s overall interest rate exposure is governed by two primary limits: Earnings at Risk ("EaR") and Economic Value of Equity ("EVE"). These limits are subject to ALCO and RC escalation protocol and requirements regarding significant transactions. Within these approved limits, the Hedging Desk hedges specific assets or liabilities on the balance sheet utilizing the permitted hedging strategies and instruments outlined in the Policy. The remaining unhedged interest-rate risk associated with the assets and liabilities of the balance sheet is monitored and governed by ALCO using the EaR and EVE limits. Ally’s overall balance-sheet interest-rate risk limits and the Hedging Desk's Balance Sheet Hedging activities are subject to the Volcker Rule risk-mitigating hedging requirements.

In addition to Balance Sheet Hedging activities, the Hedging Desk also hedges specific risks that arise during Ally's normal course of business, such as foreign-exchange risk, equity risk related to the company's employee stock compensation, and interest-rate risk related to Ally's Held for Sale assets and funding facilities. The Hedging Desk manages these risks by utilizing the permitted hedging strategies and instruments outlined in the Policy. The remaining unhedged risk associated with the specific risk hedging activities is monitored and managed at the strategy level. The Hedging Desk's Specific Risk Hedging activities are subject to the Volcker Rule risk-mitigating hedging requirements.

2. Foreign Exchange Risk

Ally enters into derivative financial instrument contracts to mitigate the risk associated with variability in cash flows related to various foreign-currency exposures. While Ally has reduced the foreign exchange exposure to net investments in foreign operations through the sales and disposals of discontinued international businesses, foreign-currency forwards have been entered into with external counterparties as net investment hedges of foreign exchange exposure on its remaining investments in foreign subsidiaries.

Ally's remaining insignificant foreign subsidiaries in wind-down maintain both assets and liabilities in local currencies. These local currencies are generally the subsidiaries' functional currencies for accounting purposes. Foreign-currency-exchange-rate gains and losses arise when the assets or liabilities of our subsidiaries are denominated in currencies that differ from its functional currency. In addition, Ally's equity is impacted by the cumulative translation adjustments resulting from the translation of foreign subsidiary results; this impact is reflected in accumulated other comprehensive income (loss).

Ally also enters into foreign currency forwards to economically hedge its centralized lending program and foreign-denominated third party loans. The centralized lending program manages liquidity for Ally's subsidiary businesses, but as of March 31, 2017, this activity is immaterial. Foreign-currency-denominated loan agreements are executed with Ally's foreign subsidiaries in their local currencies. Ally evaluates its foreign-currency exposure resulting from intercompany lending and manages currency risk exposure by entering into foreign-currency spot and forwards with external counterparties. The remaining foreign-currency derivatives, such as hedges of foreign-denominated third party loans, are recorded at fair value with changes recorded as income offsetting the gains and losses on the associated foreign-currency transactions.

3. Market Risk

Market risk is the risk of loss arising from changes in the fair value of assets or liabilities (including derivatives) caused by movements in market variables, such as interest rates, foreign-exchange rates, credit spreads, and equity prices. Market risk arises from various business and capital markets activities.

Market Risk Management identifies, analyzes and monitors key market risks related to all of Ally's capital market investment and hedging activities. Market Risk Management reports directly to the AFI Chief Market Risk Officer and is independent from the Capital Markets business function.

Capital Market investment and hedging activities are monitored on a daily basis by Market Risk Management and are reviewed at the Market Risk Committee (MRC) on a regular basis to verify compliance with policy guidelines. Market Risk Management recommends, maintains, and monitors market risk limits designed to allow safe and sound operations and growth within Ally's Risk Appetite Framework, and are consistent with all applicable legal and regulatory requirements. Market Risk Management monitors compliance with market risk limits, oversees requests for new or amended limits, and escalates exceptions as in accordance with policy requirements. Market Risk Management provides regular risk reports to senior management and various committees (MRC, ALCO, RCs). Market Risk Management also supports Ally in responding to regulatory requirements, such as the Volcker Rule, Liquidity Coverage Ratio, Basel III Simplified Supervisory Formula Approach, and CCAR stress testing.

The Market Risk Management function is responsible for establishing and enforcing policies related to market risk arising from capital markets activities, and for monitoring compliance with these policies. The Enterprise Market Risk Policy establishes a market risk management framework for Ally. The MRC, ALCO, and ERMC are the Enterprise Management Committees responsible for the oversight of market risk across Ally. Additional committees and councils provide oversight of various market risks as well.

Ally utilizes various methodologies to measure market risk. The measurement of interest rate risk captures repricing risk, yield curve risk, basis risk, and option risk, and includes the following components:

- Simulation modeling to measure IRR and assess the range of impacts of changing interest rates on earnings (i.e., Earnings at Risk)
- Economic value methodologies to measure the degree to which economic values of Ally positions could change under different interest rate scenarios (i.e., Economic Value of Equity)

Market Risk Management utilizes probabilistic (e.g., Value at Risk) and non-probabilistic (e.g., dollar value of 1 basis point or "Dv01") risk measures to monitor and assess Ally's market risk exposure. Market Risk Management monitors interest rate risk using position size, parallel yield shift sensitivities (e.g., Dv01 and larger shifts), and partial yield shift sensitivities (e.g., Key Rate Interest Rate Sensitivities). Where applicable, Market Risk Management monitors interest rate volatility by shifting the interest rate volatility surfaces employed by the financial instruments used. Market Risk Management monitors equity exposures through concentration and allocation limits. Equity option exposures are monitored based on their sensitivities to changes in underlying stock prices, volatility of the underlying stock prices and time decay of the options themselves. Market Risk Management also utilizes stress scenarios to identify sensitivities in the Profit & Loss ("P&L") profile and provide insight to potential P&L outcomes under extreme market conditions.

4. Counterparty Credit Risk

Counterparty credit risk is the risk of financial loss to Ally resulting from a counterparty's inability to meet its contractual obligations. Counterparty credit risk may arise from several sources including, but not limited to:

- **Derivatives:** The inability of the counterparty to meet its payment obligations, at maturity or during the life of the derivative transaction, leaving Ally with exposure to loss and to interest rate/foreign exchange volatility.

- **Forward Settlement:** The inability of the counterparty to deliver the security or payment at trade settlement, leaving exposure to uncollateralized market price variations.
- **Exchange-Traded (Cleared Derivatives)**: The inability to recover initial margin holdings or variation margin held by the Futures Clearing Merchant (FCM) or Central Clearinghouse, leaving exposure to those balances.
- **Repurchase Agreements (Repos):** The inability of the counterparty to return the underlying security or cash collateral, leaving exposure to the haircut (the difference between the market value of the assets used as collateral and the amount of the loan) and uncollateralized market price variations on the security.
- **Operating and Investment Balances (Cash / Cash Investments):** The inability to recover cash balances held by the counterparty or in an investment vehicle, leaving exposure to those balances.
- **Mortgage Whole Loans:** The failure of a counterparty to perform its contractual obligations such as indemnification or repurchase of a defective loan, resulting in exposure to those defective loans (Representation and Warrant Risk).

All counterparties are approved by Enterprise Counterparty Risk Management (ECRM). Approval authority for exposure limits is addressed as part of the Enterprise and Bank Counterparty Delegated Limit Authority. ECRM is responsible for counterparty approvals and the setting of exposure limits. Except for mortgage whole loan counterparties, prior to trade execution all counterparties are required to have their respective limits approved. Mortgage whole loan counterparties are required to have approved limits prior to trade settlement. ECRM determines the internal rating and exposure limit based on the counterparty's internal rating, Ally's Risk Appetite Framework, and business requirements. ECRM is responsible for limit adequacy and maintenance, including, if appropriate, the reduction or closure of unused or underutilized limits to reflect the business need.

The Enterprise Counterparty Credit Risk Policy establishes an enterprise-wide counterparty risk management framework for Ally. The management, measurement, and monitoring of counterparty exposure limits is performed by ECRM and supervised by the MRC. ECRM provides counterparty credit risk reporting to the MRC on a regular basis. The report includes a list of approved counterparties (along with their associated credit ratings, limits, and exposures), recent counterparty review activities, relevant market developments, and counterparty credit risk concentrations. A summary report is also provided to ERMC and RC, as appropriate.

Ally utilizes various measures to capture the different forms of counterparty credit risk. Where applicable, these measures include, but are not limited to Potential Future Exposure (PFE), market price variation, average daily cash and investment balances, and maximum notional amounts and exposure rates for mortgage whole loan bulk purchases and other non-derivative products where applicable, in order to provide transparency into the risks being taken.

Ally leverages an appropriate range of risk mitigation mechanisms to limit exposure to any single counterparty. These mechanisms include, but are not limited to, netting agreements, margining agreements, posting of collateral, mandatory early termination, or optional early termination. Netting and collateral arrangements reduce the counterparty credit exposure from derivatives and repo- and repo-style transactions. Collateral is often held as security to reduce losses by increasing the recovery of obligations. Margin and collateral procedures address maintenance of appropriate haircuts, collateral asset classes, collateral concentration, liquidity of securities held as collateral, etc. ECRM has advisory oversight of collateral management activity, as it pertains to credit risk management. Daily collateral management business as usual activities are managed by Treasury Operations, as described in their Trading Product Collateral Management Procedures. Use of credit enhancements such as applicability of insurance, and negotiation of terms and conditions in collateral agreements or explicit guaranties, may be considered in setting credit exposure limits.

ECRM reports directly to the Chief Market Risk Officer. The group identifies, analyzes and monitors credit risk exposures to financial counterparties. ECRM administers all aspects of the Enterprise Counterparty Credit Risk Policy, including:

- Monitoring compliance with the Enterprise Counterparty Credit Risk Policy.
- Managing the counterparty approval and exposure limit allocation process, following the established protocols for approval at different credit authority levels as detailed in the DLA.
- Monitoring counterparty quality.
- Maintaining a database of approved counterparties and counterparty credit exposure limits.
- Monitoring exposures against approved counterparty limits.
- Identifying and requesting explanations on any counterparty violation of limits from the responsible business line and Enterprise Functions, and determining whether other actions are necessary to prevent recurrence.
- Escalating exceptions to MRC and business line and Enterprise Functions management where appropriate.
- Quarterly reporting to the Enterprise Risk Management Committee of key issues related to counterparty risk.

II.E. Memberships in Material Payment, Clearing and Settlement Systems

To facilitate its business, Ally maintains memberships with and participates in certain payment, clearing, and settlement ("PCS") systems, which are also known as financial market utilities ("FMUs"). FMUs provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions. PCS systems permit Ally to provide payment services to clients and customers, and to engage in derivatives transactions as needed to manage risk, secure funding, and meet the needs of its clients and customers. In this context, "membership" means that Ally (AFI or its affiliates) has access to these PCS systems.

The following table lists the material payment, clearing, and settlement systems in which Ally maintains a direct membership. PCS systems may be used via direct membership or indirect membership through other Ally entity, correspondent bank, custodian, or prime brokerage.

Direct Membership in Material Payment, Clearing and Settlement Systems (AFI or its affiliates)

Type	PCS	Description of Services
Payment Systems	Fedwire Funds Service ("Fedwire Funds")	Electronic payment system for cash in the United States
Payment Systems	FedACH Services ("FedACH")	Electronic payment system for batched payment services and the electronic exchange of debit and credit transactions through the Automated Clearing House ("ACH") network
International Messaging Utility	The Society for Worldwide Interbank Financial Telecommunication ("SWIFT")	Telecommunication platform for the exchange of standardized financial messages between financial institutions, between financial institutions and market infrastructures, and between financial institutions and their corporate clients and customers

Indirect Membership in Material Payment, Clearing and Settlement Systems

Type	System	Description of Services
Clearing System	Chicago Mercantile Exchange ("CME")	Provides clearing and settlement services for futures, options, and over-the-counter derivative products
Clearing System	LCH Group Limited ("LCH")	Provides clearing and settlement services for over-the-counter derivative products
Clearing System	The Depository Trust & Clearing Corporation ("DTCC")	Central securities depository providing depository and book-entry services for eligible securities and other financial assets to its participants, which are principally banks and broker-dealers
Clearing System	Fedwire Securities Service ("Fedwire Securities")	Conducts issuance, transfer, and settlement for all marketable Treasury securities, for many federal government agency and GSE securities, and for certain international organizations' securities

II.F. Description of Non-U.S. Operations

During 2012, Ally decided to sell substantially all of its international businesses. During the first quarter of 2013, Ally completed the sale of its U.K.-based insurance operations that provided VSCs and insurance products internationally. Also in the first quarter of 2013, Ally sold its Canadian automotive finance operations, Ally Credit Canada Limited and ResMor Trust. During the second quarter of 2013, Ally sold its Mexican insurance business, ABA Seguros, S.A. de C.V. Also during the second quarter of 2013, Ally completed the sale of its automotive finance operations in Europe and the majority of Latin America. The transaction included European operations in Germany, the United Kingdom, Italy, Sweden, Switzerland, Austria, Belgium, France, and the Netherlands, and Latin America operations in Mexico, Chile, and Colombia. During the fourth quarter of 2013, Ally completed the sale of its Latin American automotive finance operations by selling its operations in Brazil. During the first quarter of 2015 Ally sold its 40% interest in a motor vehicle finance joint venture in China.

Ally's non-U.S. operations are limited to the following:

- Motors Insurance Corporation ("MIC"), an insurance unit based in the United States, operating through a Canadian branch, engages in the underwriting of VSCs, wholesale vehicle inventory insurance, and a tire road hazard program throughout Canada; and a third party administration unit responsible for marketing, sales, and policy and claim administration of VSCs and tire road hazard contracts as well as a maintenance program for GM Canada. The Canadian branch is not a separate legal entity but a branch of MIC.

- CoverageOne Corporation offers extended service contracts in Canada. MIC underwrites Chevy Protection Plan, Buick Protection Plan, GMC Protection Plan, Cadillac Protection Plan, and the CoverageOne product. CoverageOne is the administrator for the GM branded products and the Obligor for the CoverageOne product sold on non-GM vehicles.

- Ally International Insurance Company Ltd. (IICL), a subsidiary of Ally Insurance Holdings, is a Bermuda reinsurance company with a 50% quota share reinsurance agreement for the VSC business underwritten by the Canadian branch of MIC. IICL was established as an Alien Surplus Lines insurer in 2014, insuring the Owned Inventory, with 100% of the premium and risk being reinsured to MIC.

- Limited non-automotive corporate finance activity in Canada, which is managed from the United States.

- A small number of companies engaged in the process of liquidating portfolios of assets from Ally's prior non-U.S. operations.

At March 31, 2017, Ally had approximately $757 million in non-U.S. assets or less than 1% of Ally’s total consolidated assets.

II.G. Material Supervisory Authorities

As a participant in the banking and insurance industries, Ally is subject to extensive regulation and supervision under U.S. federal and state laws.

1. Holding Company Supervision

As a bank holding company and financial holding company under the BHC Act, AFI is subject to supervision and examination by the Federal Reserve and the Consumer Financial Protection Bureau (for certain consumer protection purposes). Under the system of "functional regulation" established by the BHC Act, the Federal Reserve serves as the primary regulator of the consolidated Ally organization, and coordinates with the primary regulators of Ally's U.S. nonbank subsidiaries with respect to the activities of those subsidiaries. Such "functionally regulated" nonbank subsidiaries include the insurance related subsidiaries of Ally Insurance Holdings ("Insurance Subsidiaries").

2. Ally Bank

Ally Bank is a Utah chartered state member bank, and a member of the FDIC. Ally Bank is supervised and examined by the Federal Reserve, the Utah Department of Financial Institutions ("UDFI"), and the Consumer Financial Protection Bureau (for certain consumer protection purposes).

3. State Supervision

AFI and Ally Bank hold sales finance company licenses in a number of states. Ally Servicing holds servicing and collection licenses in various states. Accordingly, AFI, Ally Bank, and Ally Servicing may be subject to examination by state banking departments or other applicable regulatory authorities in connection with the activities authorized by and conducted pursuant to such licenses.

4. Insurance Subsidiaries

The Insurance Subsidiaries are subject to certain minimum aggregate capital requirements and net asset and dividend restrictions under applicable state insurance laws, as well as the rules and regulations promulgated by various U.S. regulatory agencies. Under various state insurance regulations, dividend distributions may be made only from statutory unassigned surplus with approvals required from the regulatory authorities for dividends in excess of certain statutory limitations. The Insurance Subsidiaries are also subject to applicable state laws generally governing insurance companies, as well as laws and regulations for products that are not regulated as insurance, such as VSCs and GAP products. The Canadian branch of MIC is also regulated by Canada's Office of the Superintendent of Financial Institutions under a similar regulatory regime. Ally International Insurance Company Ltd., a subsidiary of Ally Insurance Holdings, is a Bermuda reinsurance company, regulated by the Bermuda Monetary Authority.

Additional information on Ally's supervision and regulation can be found in Ally's '34 Act Reports, including the sections on "Certain Regulatory Matters" and "Risks Related to Regulation" on pages 3-9 and 11-13, respectively, of the 2016 Form 10-K.

II.H. Principal Officers

1. Principal Officers of AFI

Jeffrey J. Brown, Chief Executive Officer

Jeffrey Brown (JB) was named chief executive officer of Ally Financial in February 2015 and also serves on its board of directors. Brown is driving Ally's evolution as a leading digital financial services company. Under his leadership, Ally is building on its strengths in auto financing, retail deposits and corporate financing, as well as diversifying its offerings to include digital wealth management and online brokerage, a credit card and mortgage products. Brown has deep financial services experience, having previously served in a variety of key leadership roles at Ally. Prior to being named CEO, Brown was president and CEO of Ally's Dealer Financial Services business, where he oversaw the company's automotive finance, insurance and auto servicing operations. Brown joined Ally in March 2009 as corporate treasurer and, in 2011, was named executive vice president of finance and corporate planning, where he oversaw the company's finance, treasury and corporate strategy initiatives.

Prior to joining Ally, Brown was the corporate treasurer for Bank of America, where he had responsibility for the core treasury functions, including funding and managing interest rate risk. Brown spent 10 years at Bank of America, beginning his career in finance and later joining the balance sheet management division. During his tenure at Bank of America, he also served as the bank's deputy treasurer and oversaw balance sheet management and the company's corporate funding division.

Brown received a bachelor's degree in economics from Clemson University and an executive master's degree in business from Queens University in Charlotte. He serves on the Board of the Clemson University Foundation, an independent, not-for-profit entity that promotes the welfare and future development of Clemson University. He also serves on the Trevillian Cabinet of the College of Business and Behavioral Sciences at Clemson University and on the Board of Trustees for Queens University in Charlotte. Brown was recognized for his commitment to family, career and community with a 2016 Father of the Year award by the Father's Day Council and benefiting the American Diabetes Association.

Christopher A. Halmy, Chief Financial Officer

Christopher Halmy was named chief financial officer of Ally Financial in November 2013. In this role, he is responsible for the oversight of the company's finance, treasury and capital markets activities.

Prior to his current position, Halmy served as Ally's corporate treasurer, where he was responsible for capital, liquidity and interest rate risk management. He joined Ally in 2009 as the structured funding executive with responsibility for the strategy, planning, and execution of securitizations and structured funding globally.

Prior to joining Ally, Halmy was the global funding executive at Bank of America where he was responsible for funding and liquidity activities. During his tenure at Bank of

America, he also led the mortgage and auto securitization group. Prior to joining Bank of America in 1997, Halmy held treasury, finance and accounting positions at MBNA America, N.A., Merrill Lynch & Co., JP Morgan & Co. and Deloitte & Touche.

Halmy holds a bachelor's degree in accounting and a master's degree in business administration from Villanova University. He is also a certified public accountant. In addition, he served as an adjunct professor at Wesley College from 1999 to 2006 and Queens University from 2011 to 2013. Halmy currently serves on the Board of Advisors for the McColl School of Business at Queens University and is a Provost at Villanova University.

Scott Stengel, General Counsel

Scott Stengel was named general counsel of Ally Financial in May 2016. In this role, he oversees all of Ally's legal affairs and is also responsible for corporate governance, records and information management, and licensing.

Stengel joined Ally from Kansas City, Mo.-based UMB Financial, where he served as executive vice president, general counsel and corporate secretary. Before that, he was a partner at King & Spalding, and Orrick, Herrington & Sutcliffe in Washington, D.C., with a practice focused on banking, capital markets and government relations. He began his career as a law clerk to the Honorable Douglas O. Tice, Jr. in Richmond, Va.

Stengel received a bachelor's degree in economics, with highest honors, from the University of Notre Dame. He went on to receive his juris doctorate, magna cum laude, from Notre Dame Law School. Stengel sits on the board of directors of the U.S. Chamber Litigation Center and serves on the pastoral council for St. Peter Catholic Church in Charlotte.

Dinesh Chopra, Chief Strategy Officer

Dinesh Chopra was named Chief Strategy Officer of Ally Financial in 2017. In this role, Chopra leads Ally's Corporate Strategy team, responsible for developing and executing business strategies that foster product and enterprise growth, and further Ally's position as a leader in digital financial services. Chopra is also responsible for Ally's corporate development activities and Ally Ventures, including strategic alliances and identifying and acquiring companies and technologies that align with its strategic plans.

Prior to joining Ally, Chopra served as global head of Strategy, Retail Bank, Mortgage, Fintech & Digital Payments at Citigroup, responsible for leading strategic planning and improving performance for the related lines of business. While at Citigroup, he oversaw many transformation efforts including driving client growth, accelerating digital agenda, and expanding profitability. Prior to Citigroup, he held several leadership positions in strategy and banking at Capital One and McKinsey & Company. He began his career in engineering at Micron Technology, Inc.

Chopra holds an MBA from MIT's Sloan School of Management; a master's degree in Chemical Engineering from Clarkson University in Potsdam, NY; and a bachelor's degree from the National Institute of Technology in Trichy, India.

Diane Morais, President of Consumer & Commercial Banking Products

Diane Morais joined Ally Financial in 2008, and currently has oversight for consumer and commercial banking products. Her responsibilities include the company's Deposits, Mortgage, Online Brokerage and Wealth Management and Corporate Finance businesses, as well as oversight for Ally's digital strategies.

As President, Consumer & Commercial Banking Products, Morais has responsibility for the strategic direction and profitability, product innovation and pricing, customer service, and ensuring all activities are consistent with high standards of safety and soundness. Under her leadership, Ally Bank has achieved double-digit retail deposit growth each year since the bank was launched in 2009. The bank now has more than 1.2 million customers, and it has received numerous third-party accolades, including being named Best Online Bank by Money® Magazine for five consecutive years and by Kiplinger Personal Finance for three years. Morais also led the expansion of two new products in 2016, the Ally CashBack Credit Card and Ally Home, the bank's direct-to-consumer mortgage business.

In addition to Ally Bank, Morais has responsibility for the Online Brokerage and Wealth Management business Ally acquired through its April 2016 acquisition of TradeKing, Inc., including oversight of the integration and rebranding of the business under Ally. The addition of investing and wealth management significantly broadens the portfolio of personal finance options Ally has to offer to provide consumers with a cohesive approach to managing their savings and investment alternatives, while benefiting from the bank's competitive rates and innovative deposit products. Prior to holding key leadership positions of increasing responsibility at Ally, Morais achieved a number of significant professional accomplishments in the financial services sector. During a career spanning twelve years at Bank of America, she served as the deposit and debit products executive, national customer experience executive, card services marketing, and consumer mortgage vendor management executive. Morais also spent nine years at Citibank's credit card division in a variety of marketing, risk and finance roles.

Morais holds a bachelor's degree from Pennsylvania State University and sits on the board of directors for Junior Achievement of Central Carolinas and Charlotte Center City Partners. In September 2017, she ranked #11 on American Banker Magazine's '25 Most Powerful Women in Banking' list. This is the second consecutive year Morais was included in the rankings, which recognize the professional achievements, personal tenacity and overall influence of the industry's top-performing female executives.

David Shevsky, Chief Risk Officer

David Shevsky was named chief risk officer for Ally Financial in December 2015. In this role, Shevsky has overall responsibility for the risk framework, processes and oversight for the company, including achieving an appropriate balance between risk and return, mitigating unnecessary risk and protecting the company's financial returns.

Prior to his current role, Shevsky served as the chief risk officer for the Ally Bank subsidiary beginning in 2011.

Shevsky joined Ally Financial in 1986 with a series of positions supporting the auto finance operation from a credit analysis and risk perspective. During his career, he supported both the domestic and international auto finance operations. In 2004, he became a senior vice president of enterprise risk for the company. In this role, Shevsky began to take a company-wide view of commercial credit risk and capital management. When the company became a stand-alone company in 2006, he played a key role in establishing a more robust risk management function, and when Ally became a bank holding company in 2008, he was responsible for establishing a loan review function, which he did until becoming the chief risk officer for Ally Bank in 2011.

Prior to joining Ally, Shevsky served in the United States Air Force from 1979 until 1984. Shevsky holds a bachelor's degree from Wayne State University and a master's degree from Walsh College. Shevsky is the executive leader for Ally's Veterans Employee Resource Group, which is focused on supporting veterans in the workplace, and has been a frequent supporter of cancer research initiatives at both Indiana University and the University of Michigan since his remission from cancer over 16 years ago. Shevsky and his family also regularly donate food and supplies for the homeless outreach program at St. Matthew's Church in Charlotte.

Tim Russi, President of Auto Finance

Tim Russi is president of auto finance at Ally, responsible for developing strategy and driving performance for the company's auto business. Under Russi's leadership, Ally has become a competitive marketplace leader, offering a full suite of innovative auto finance products and services. He has also helped to diversify and expand the company's dealer network and drive digital innovation in the business.

Russi has more than 30 years of business and financial services industry experience. Prior to his current role, he served in several leadership positions at Ally including, executive vice president of the auto business in North America, chief financial officer for global automotive services and chief operating officer for North America.

Prior to joining Ally in October 2008, Russi worked for Cerberus as a senior advisor to Ally. He previously served as president of Dealer Financial Services for Bank of America, and also served in leadership roles at US Leasing (a Ford Financial Services company), Deloitte, DHR International and Ernst & Young.

Russi has a bachelor's degree in managerial economics from the University of California at Davis. He is a certified public accountant and is Six Sigma certified. Russi has served on the board of the First Coast YMCAs in Jacksonville, Florida, and coached its youth sports programs for several years. He currently coaches youth basketball. Additionally, he is executive sponsor of the Generational Ally Employee Resource Group, which promotes professional development and employee engagement by leveraging multi-generational experiences.

Michael Baresich, Chief Information Officer

Michael Baresich joined Ally Financial in January 2012 as Chief Information Officer. In this role, he has global responsibility for all information technology and related services, including application development, operations, infrastructure, and information security.

Prior to joining Ally, Baresich was Executive Vice President and Chief Information Officer of CIT Group, where he was responsible for all information technology worldwide.

In addition to his role at CIT, Baresich served in various senior-level IT positions over a span of 25 years, including Managing Director and Global Chief Information Officer at Citigroup Asset Management; CEO of CoKinetic Systems Corp., a software development and services company; and global head of Information Technology and Operations for Deutsche Bank Asset Management.

Baresich received a bachelor's degree from Harpur College at Binghamton University and master's degrees from the University of Florida and The Wharton School of the University of Pennsylvania. He serves on the board of directors for CoKinetic Systems Corporation, and the IT Advisory Board of New York Life. Baresich is an active participant in the New York FinTech Innovation Lab, which provides support to technology startups. He serves as a director of Skilled, a not-for-profit organization working to provide opportunities for adults with autism. He is also active in fund raising for other organizations in the autism community, including NEXT for Autism, and the Cooke Center for Learning and Development.

Kathleen L. Patterson, Chief Human Resources Officer

Kathleen L. Patterson was named chief human resources officer in August 2016 and has responsibility for leading the enterprise function and its activities, including talent management, compensation and benefits.

Patterson joined Ally in 2007 to lead change management for the corporate functions as the company unified the functional staffs. She also directly supported the technology function. Most recently she served as the senior vice president of human resources for Ally's Auto Finance and Insurance lines of business.

Prior to joining Ally, Patterson was the managing director of human resources at DTE Energy, a Detroit-based diversified energy company. She was responsible for managing the company's staffing and consulting efforts as well as organizational development including leadership development, talent management, employee engagement strategies, diversity management, and career development.

Patterson earned a Bachelor of Arts degree from the University of Michigan and a Master of Arts degree from the University of Detroit Mercy in industrial/organizational psychology. She serves on the board for the Big Brothers Big Sisters national organization, which focuses on changing children's lives by matching them with caring adults to guide them on a path to success. Patterson is also an active participant in Impact100 Metro Detroit, a volunteer group of local Detroit- area women whose purpose is to fuel transformation in the local community by uniting women in collective giving. Additionally, she is actively involved in Detroit-based Wayne State University's mentorship program, which provides interested students with coaching to help them succeed in business. She is active in her local school district, providing coaching and leadership support through the year, as well as having served as a coach for Destination Imagination and Science Olympiad teams.

Andrea Riley, Chief Marketing and Public Relations Officer

Andrea Riley is the chief marketing and public relations officer of Ally Financial. In this role, she is responsible for overseeing the company's marketing and advertising strategies and ensuring they support the overall objectives of the organization. She is also responsible for market research initiatives and brand management.

Most recently, Riley served as chief marketing officer for Ally's auto finance and insurance businesses. She was also instrumental in development and deployment of the Ally brand in 2009. Prior to joining Ally in 2006, Riley spent 20 years on the agency side in Detroit, where she led the Chevrolet account and launched the iconic American Revolution campaign, as well as numerous product offerings.

Riley holds a bachelor's degree from Michigan State University, and is active in the university's College of Communication Arts and Sciences, bringing relevant programs of interest to the school. In 2017 she won the Financial Communication Society's Marketer of the Year award for her work on Ally's first unified brand campaign. In 2015, she was named to the 100 Leading Women list issued by Automotive News, which recognizes leaders in the automotive field. She sits on the board of Auto News Leading Women which has a goal of bringing gender equality to the auto industry. In 2014 and 2015, Riley was named to Forbes list of 50 Most Influential CMOs, and she is active in the Forbes CMO Challenge program which aims to reach young people interested in marketing careers. A Detroit native, Riley supports many causes that seek to foster the revitalization of the city and support key arts and cultural initiatives. She is a board member of Impact100 Metro Detroit, which aims to fuel transformation in the community by awarding high-impact grants to local nonprofits. Riley also works closely with a number of organizations to promote Detroit as the country's first designated UNESCO World Heritage city.

Stephanie Richard, General Auditor

Stephanie Richard was named general auditor of Ally Financial Inc. in 2017. In this role, she is responsible for the organization's internal audit function, as well as administrative oversight for Ally's loan review function. Her specific duties include: interacting with Ally senior leadership, regulators, external auditors and other stakeholders; assessing key strategic, financial, operational and compliance risks; and designing and executing an audit plan aimed at evaluating the effectiveness of risk management, internal control and governance activities across the organization.

Prior to her current role, Richard served as the Deputy Chief Risk Officer for Ally Financial, where she was responsible for leading various key enterprise risk management programs, including designing the company's risk appetite framework. Richard joined Ally in 1997 and has served in a variety of roles with increasing levels of responsibility within the finance, treasury and risk management functions. Since Ally became a bank holding company in 2008, she has played an integral part in many of the company's transformation initiatives over the last several years. Prior to joining Ally, Richard worked in audit services for Deloitte and Touche where she gained extensive accounting and auditing experience and earned her CPA license.

Richard is a member of Women Executives of Charlotte, where she serves as a mentor for female college students in the WINGS scholarship program. She is also a member of the Board of Managers of the Morrison Family YMCA in Charlotte. She holds a bachelor's degree in Accounting from Michigan State University and a Master's in Business Administration from Wayne State University.

Dan Soto, Chief Compliance Officer

Dan Soto was appointed chief compliance officer of Ally Financial in October 2010. In this role, he is responsible for leading the company's compliance efforts in line with applicable laws, regulations and company policies. Soto joined the company as executive compliance director and Bank Secrecy Act (BSA) compliance officer in September 2009. In this role, he was responsible for Ally's anti-money laundering (AML) and deposit compliance activities.

Before joining Ally, Soto held a number of compliance leadership roles within the financial services industry. Most recently, he worked as the AML executive and compliance manager at Wachovia/Wells Fargo. Previously, he served as chief compliance officer for Royal Bank of Canada-Centura and the global AML compliance executive at Bank of America. He also served as a bank examiner with the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System. At the Federal Reserve, he helped develop its AML compliance examination procedures. Soto has a bachelor's degree in accounting from the University of Nebraska and attended the American Bankers Association's (ABA) Stonier Graduate School of Banking at the University of Delaware. Soto serves on the board of the North Carolina Council on Economic Education, an organization that aims to enhance and advance economic and financial education for K-12 educators and students of North Carolina. Soto also serves on the advisory boards of the Association for Certified Anti-Money Laundering Specialists (ACAMS) and the BSA (Bank Security Act) Coalition, and he serves on the faculty for the ABA's National Compliance School.

Alison Summerville, Business Administration Executive

Alison Summerville was named business administration executive of Ally Financial Inc. in June 2015. In this role, she is responsible for liaising with business and functional leads on behalf of the CEO's office on enterprise-wide business initiatives. This includes managing and implementing executive leadership routines, and seeking organizational efficiencies that advance Ally's strategic objectives. Summerville also oversees the company's corporate workplace team which manages Ally's facilities and related services, and oversees Ally's corporate citizenship and community relations efforts.

Most recently, she served as executive director of CFO business support, overseeing governance routines, budget and expense planning for the Finance and Treasury functions, as well as acting as business lead for employee engagement initiatives.

Summerville joined Ally in 2009, as chief of administrative officer for the company's Treasury function.

Prior to joining Ally, she spent nearly nine years at Bank of America, most recently as the company's Treasury business support executive. During her tenure at Bank of America, she also served in balance sheet management, compliance and corporate research roles.

Summerville holds a bachelor's degree in business administration from the University of North Carolina at Chapel Hill. Her community involvement includes service on the Board of Directors for Charlotte Wine and Food Weekend, which contributes to charitable organizations seeking to benefit children and their families in the Charlotte community, and the Charlotte Regional Partnership, which pursues business growth in the Charlotte region. Additionally she serves on the Board of Directors and Finance Committees of Habitat for Humanity Charlotte and Sharon Towers, a Continuing Care Retirement Community.

Douglas Timmerman, President, Ally Insurance

Douglas Timmerman was appointed incoming president of Ally Insurance in the spring of 2014. In this role, he is responsible for all of Ally's Insurance operations including consumer products such as vehicle service contracts, maintenance contracts and GAP coverage as well as property and casualty products for dealers.

Prior to this position with Ally Insurance, Timmerman was vice president of Auto Finance for the Southeast region in Atlanta. In that capacity, he was responsible for sales, risk management, and portfolio management for more than 4,000 dealer relationships across 11 states.

Since joining Ally in 1986, Timmerman has held a variety of leadership roles within the organization, gaining experience in commercial lending, consumer lending, collections, sales and marketing. His experience also includes a broad geographical reach, holding assignments that have touched nearly every state.

The Nebraska native began his career with Ally shortly after earning his master's degree in business administration from the University of Nebraska. He also holds a bachelor's degree from the University of Nebraska.

Timmerman supports several organizations and research efforts associated with finding a cure for Type 1 diabetes. He is an active volunteer and supporter of Children's Hospital of Atlanta and the Juvenile Diabetes Research Foundation.

II.I. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

1. Corporate Governance and Oversight

Corporate governance and management oversight are fundamental to Ally's resolution planning process, and are conducted through the Boards of Directors of AFI and Ally Bank, management committees, Legal Entities, Lines of Business ("LoBs") and Enterprise Functions.

Governance and oversight begins with the Boards of Directors of AFI and Ally Bank, which serve as overall “champions” for the resolution planning process.

The board and management committees and councils involved in the governance, oversight, and development of the Section 165(d) Plan include the following committees and councils at AFI:

- **Enterprise Risk Management Committee (ERMC) -** Established by the Ally Chief Risk Officer (CRO) and is responsible for oversight of Senior Management's responsibility to manage Ally's risk profile within the Risk Appetite Framework and Risk Appetite Measures set by the AFI and Ally Bank Risk Committees and executing Ally’s risk and compliance programs. In 2015, the ERMC's charter responsibilities were formally revised to explicitly identify the review and approval of Ally's Section 165(d) Plan, in addition to providing governance for Ally's resolution planning activities.

- **Resolution Planning Work Group ("RP Work Group")** - The RP Work Group, which is managed by the Resolution Planning Team (RP Team) and chaired by the Senior Enterprise Risk Director, Resolution Planning, is comprised of subject matter experts representing lines of business and enterprise functions within AFI and Ally Bank.

2. Resolution Planning Process

The RP Team develops and maintains the Section 165(d) Plan, so that the Section 165(d) Plan contains the information required by the Section 165(d) Rule, the Supervisory Guidance, and other materials and feedback provided by the FRB and the FDIC. The RP Team defines projects, including responses to information requests as well as Section 165(d) Plan drafting, and coordinates various workstreams in Ally Legal Entities, LoBs and Enterprise Functions in the development and maintenance of the Section 165(d) Plan. In carrying out its duties, the RP Team shall have the authority to assign tasks, impose deadlines and processes for responses, throughout Ally.

In the course of its regular activities, the RP Team:

- Evaluates the resolution planning rules and supervisory guidance provided by the FRB and the FDIC, ensures compliance with such guidance, and develops additional assumptions internally

- Together with appropriate internal legal resources, coordinates the review of such impacts of resolution to Ally’s various third party relationships (e.g., customers, vendors, counterparties)

- Reviews potential resolution strategies for Ally and, in consultation with appropriate internal and external resources, identifies the resolution strategies to set forth in Ally's Resolution plans

- Based on information from, among other sources, Ally’s management information systems, identifies Ally’s Material Entities, Core Business Lines, Critical Operations (if any; including any Critical Operations potentially identified by the Federal Reserve and FDIC) and with respect to Ally Bank, Critical Services

- Reviews Ally’s Core Business Lines and Critical Operations (if any) to determine how they could be best maintained, sold, or wound down in a rapid and orderly manner

- Identifies and reviews potential impediments to the resolution strategies set forth in Ally's resolution plans and their potential mitigants

- Reports on the RP Team’s resolution planning activities and the activities of the RP Work Group to the ERMC, and the AFI and Ally Bank Boards of Directors, on a regular basis

- Facilitates regulatory reviews of the resolution plans

- Holds periodic meeting with various key members of Senior Management to review progress, material assumptions and overall strategy

The Section 165(d) Plan was presented to subject matter experts in the business lines and Enterprise Functions who provided plan content, for review and approval. Following these reviews, the Section 165(d) Plan was presented to the ERMC for review and approval, and finally, to the Board of Directors of AFI for review and approval.

3. Board Approval and Submission

As required by the Section 165(d) Rule, the AFI Board of Directors approved the Section 165(d) Plan on December 6, 2017. Ally submitted the Section 165(d) Plan to the Federal Reserve on December 20, 2017.

II.J. Description of Material Management Information Systems

Ally extensively leveraged its material management information systems ("MIS") in the preparation and production of the Section 165(d) Plan. Ally's material MIS are composed of both internally-developed applications and vendor software packages, some of which are externally hosted, that interface with strategic data provisioning systems for each major line of business and enterprise function. Ally's material MIS are used to support critical business operations and to provide reporting and analytics for Ally's risk, capital, liquidity, and financial management activities. The same MIS are also used to support regulatory reporting and ad-hoc information requests.

Ally's material MIS are governed by architecture standards supported by an Architecture Review Board to drive consistency, facilitate efficiency, and enforce appropriate controls regarding the flow of critical data. Changes to MIS are governed under a documented Ally change methodology and process.

To ensure the quality of the data in its material MIS, Ally maintains an Enterprise Data Governance Policy supported by approved Standards for managing critical data elements. An Enterprise Data Governance Council is chaired by Ally's Data Governance Executive and comprised of key Risk, LoB, Enterprise Function and Information Technology representatives who oversee Ally's data governance activities and champion continuous improvement initiatives. The Enterprise Data Stewardship Working Group is a cross-functional group comprised largely of Data Governance Business Leads and Data Governance Technical Leads established to drive control, consistency, and alignment in data management practices, as well as provide a communication channel for discussing, sharing, clarifying, and confirming data governance topics.

Ally has a business continuity program that has prepared the organization for a broad array of situations. Ally utilizes multiple data centers to provide alternate processing capabilities and remote data backup of key centralized systems. Disaster recovery plans of key systems are tested annually. There are also high frequency data back-ups for individual workstations and remote branch servers to the data centers. Temporary alternate workspaces, both fixed site and mobile office trailer, are under contract through a third-party provider and are regularly tested. Ally also has a high capacity virtual private network to allow for secure work-from-home system access should the need arise.

Ally has implemented an Identity and Access Management system to provide and remove access to key systems. Privileged access is reviewed quarterly by hiring managers and audited to ensure proper access rights are granted.

Information security policy and standards, built on an international framework and adhering to regulatory expectations for the financial services sector, have been established and deployed throughout the company to ensure systems and desktops are maintained and assessed utilizing a risk-based approach.

II.K. High-Level Description of Resolution Strategy

1. Assumptions

The Section 165(d) Rule has mandated the use of certain assumptions by Ally in the preparation of the Section 165(d) Plan. In particular, the Section 165(d) Plan assumes that Ally has experienced one or more sudden, unforeseen idiosyncratic events that triggers a liquidity crisis and results in material financial distress which leads to its failure. These idiosyncratic events occur when general macroeconomic conditions are consistent with the 2017 CCAR/DFAST Severely Adverse economic scenario. In addition, the Section 165(d) Plan assumes that there will be no extraordinary government support or assistance and that unsecured funding is unavailable to Ally.

Finally, the Section 165(d) Plan also assumes that other market participants have not been adversely affected by the idiosyncratic events that caused the failure of Ally.

With respect to the severely adverse scenario, the Section 165(d) Plan assumes that macroeconomic conditions at the time of failure are consistent with the assumptions set forth by the FRB for that scenario for purposes of the 2017 annual stress tests required under the Dodd-Frank stress testing rules and the Capital Plan rule. Those assumptions are set forth in detail in the FRB publication, *2017 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Stress Testing Rules and the Capital Plan Rule (February 10, 2017)*, at 4-5 (Supervisory Adverse Scenario) and 5-6 (Supervisory Severely Adverse Scenario, which is available on the internet at:
https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20170203a5.pdf.

The circumstances leading to an actual failure of a financial institution such as Ally would likely differ, perhaps substantially so, from the assumptions on which the Section 165(d) Plan is premised. These differences might materially alter the specific strategies and choices made and undertaken in the course of an actual resolution. In developing its 165(d) Plan, Ally's objectives were to:

- Ensure the rapid and orderly resolution of Ally under the U.S. Bankruptcy Code in a manner that avoids systemic risk to the U.S. financial system and the U.S. economy
- Protect Ally Bank in the event one or more of Ally's other Material Entities fails
- Minimize disruption to Ally's customers and to the financial markets
- Ensure that Ally Bank continues to receive all necessary Critical Services, as defined in the IDI Rule, during its resolution
- Ensure that depositors have access to their insured deposits at Ally Bank within one business day of Ally Bank's entry into receivership (two business days if the entrance into receivership occurs on a day other than Friday)
- Enable the FDIC to resolve Ally Bank without taxpayer support and at least-cost to the Deposit Insurance Fund
- Ensure the continuation and funding of Critical Operations (if any) identified by Ally or jointly by the Federal Reserve and the FDIC

- Preserve the value of Ally's Core Business Lines, to the greatest extent possible, subject to the foregoing requirements.

In the unlikely event that AFI became subject to a resolution, the Section 165(d) Plan contemplates that AFI would be resolved through a Chapter 11 proceeding. AFI would seek to sell assets or businesses in an organized way under Section 363 of the Bankruptcy Code and then liquidate or wind down any remaining assets and administer the claims process. Ally Bank and Ally Servicing would be resolved by the FDIC, as its receiver, through a receivership. The preferred strategy includes the establishment of a bridge bank to allow uninterrupted banking services to insured depositors and provide the FDIC the time it needs to take control of all of the Bank's businesses, stabilize the situation, effectively market assets, and determine an appropriate resolution.

MIC would be resolved by the Michigan Insurance Commissioner through a rehabilitation proceeding under the Michigan Insurance Code.

Each Core Business Line could be resolved in a rapid and orderly manner as part of the resolution of the relevant Material Entity or group of Material Entities without any systemic impact or risk to the U.S. financial system. Certain assets of Ally Bank's Automotive Finance Core Business Line, Ally Servicing and the Direct Banking Core Business Line would be transferred to a bridge bank. The Insurance Core Business Line would be resolved as part of the rehabilitation proceeding of MIC. The remaining AFI automotive finance operations would be sold as part of the resolution of these Material Entities within 360 days from the commencement of their Chapter 11 proceeding. These resolution approaches are conventional resolution strategies.

2. Potential Purchasers

Ally believes that certain Core Business Lines or Material Entities will attract potential purchasers for all, or portions of their assets. The Section 165(d) Plan includes a wide range of potential purchasers that would vary depending on the assets being sold. These potential purchasers would include U.S. and global banks, financial institutions affiliated with the motor vehicle manufacturers, specialty finance companies, insurance companies, private equity firms, hedge funds, and other various investors.

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