Ally Financial Inc.
Resolution Plan

Public Section

December 20, 2013

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I. Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") and regulations adopted by the Board of Governors of the Federal Reserve System ("Federal Reserve") and the Federal Deposit Insurance Corporation ("FDIC") require Ally Financial Inc. ("AFI") and, together with its consolidated subsidiaries, ("Ally") and its wholly owned FDIC-insured depository institution subsidiary, Ally Bank, to prepare and maintain plans for a rapid and orderly resolution in the event of material financial distress or failure.

Under Section 165(d) of the Dodd-Frank Act and regulations jointly issued by the Federal Reserve and the FDIC ("Section 165 Rule") AFI, as a bank holding company with assets of $50.0 billion or more, must submit to the Federal Reserve and the FDIC a plan ("Section 165 Plan") for Ally's rapid and orderly resolution in the event of material financial distress or failure. Ally's Section 165 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 - 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 Plan must also describe Ally's strategy for ensuring that Ally Bank would be adequately protected from risks arising from the activities of AFI and its non-bank subsidiaries (other than those that are subsidiaries of Ally Bank). Finally, Ally must update its Section 165 Plan at least annually, 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 ("IDI Rule") and, together with the Section 165 Rule, the ("Rules") requires Ally Bank, as an FDIC-insured depository institution with assets of $50.0 billion or more, to submit to the FDIC a plan ("IDI Plan") and, together with the Section 165 Plan, the ("Plans") demonstrating how Ally Bank could be resolved in an orderly and timely manner in the event of receivership. The IDI Rule is intended to complement the resolution plan requirements of the Dodd-Frank Act. The IDI Plan must ensure that depositors receive access to their insured deposits within one business day of Ally Bank's failure (two business days if the failure occurs on a day other than Friday), must maximize the net present value return from the sale or disposition of its assets, and must minimize the amount of any loss to be realized by Ally Bank's creditors. The IDI Plan must also describe a strategy for separating Ally Bank from the AFI organization and for the sale of Ally Bank's deposit franchise, Core Business Lines, and major assets that, in turn, can be demonstrated to be the least costly to the Deposit Insurance Fund of all possible methods for resolving Ally Bank. Finally, Ally Bank must update its IDI Plan at least annually, and Ally Bank must provide notice to 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 Bank's resolution.

As required by supervisory guidance, the Plans consider strategies for the resolution of Ally and Ally Bank in the event of an idiosyncratic event involving an unforeseen financial loss or liquidity crisis. Further, the Plans assume that this idiosyncratic event occurs at a time when other U.S. financial institutions and markets are not experiencing system-wide stress or panic.

Ally supports the regulatory changes that have been made since the financial crisis in 2008 to mitigate systemic risk and improve financial stability. Ally believes that resolution planning is a key element of those changes. Ally has developed this Public Section to comply with the requirements applicable to Ally and Ally Bank under the Rules.

II. Overview of Ally

Ally is a leading, independent, financial services firm with $166.2 billion in assets as of March 31, 2013. Founded in 1919 as General Motors Acceptance Corporation ("GMAC"), Ally is a leading automotive financial services company with over 90 years of experience providing a broad array of financial products and services to automotive dealers and their customers. On December 24, 2008, Ally received approval from the Federal Reserve to become a bank holding company under the Bank Holding Company Act of 1956 ("BHC Act"). Ally's banking subsidiary, Ally Bank, is an indirect wholly owned subsidiary of AFI and a leading franchise in the growing direct (internet, telephone, mobile, and mail) banking market, with $49.5 billion of external deposits as of March 31, 2013.

Ally's Business

Ally's primary line of business involves providing "Dealer Financial Services" to the U.S. automotive industry (which includes automotive finance and insurance operations). The Dealer Financial Services business is centered on Ally's relationships with automotive dealers and supports manufacturers with which Ally has marketing relationships and those manufacturers' marketing programs. The Dealer Financial Services business serves the financial needs of almost 16,000 dealers with a wide range of financial services and insurance products for both new and used vehicles. Ally believes its dealer-focused business model makes it the preferred automotive finance company for thousands of its automotive dealer customers and, ultimately, millions of their retail customers. Ally has developed strong relationships with thousands of dealers, especially dealers authorized to sell vehicles manufactured by General Motors Company ("GM") and Chrysler Group LLC ("Chrysler"), providing Ally with an extensive understanding of the operating needs of these dealers relative to other automotive finance companies. Through specialized incentive programs, Ally encourages dealers to direct more of their business to Ally.

Ally Bank, Ally's direct banking platform, is focused on building a stable deposit base driven by Ally's compelling brand and strong value proposition. Ally Bank raises deposits directly from customers through the direct banking channel via the internet, over the telephone, through mobile applications, and physical mail. Ally Bank offers a variety of traditional deposit product offerings, including certificates of deposit, savings accounts, money market accounts, interest checking, individual retirement account ("IRA") deposit products, as well as an online checking product. Ally Bank provides Ally with a stable, diversified, and cost-effective funding source.

Ally's strategy is to extend its leading 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 growth strategy continues to focus on diversifying the franchise by expanding into different products as well as broadening its network of dealer relationships. Ally also seeks to broaden and deepen the Ally Bank franchise, prudently growing stable, quality deposits while extending Ally Bank's foundation of products and providing a high level of customer service.

Strategic Actions in 2012-2013

a. Subsidiaries' Bankruptcy Filings

On May 14, 2012, Residential Capital, LLC ("ResCap") and certain of its wholly owned direct and indirect subsidiaries (collectively, the "ResCap Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. As a result of the bankruptcy filing, effective May 14, 2012, the ResCap Debtors were deconsolidated from Ally's financial statements. A comprehensive plan support agreement with ResCap and its creditors was reached and subsequently approved by the U.S. Bankruptcy Court on June 26, 2013, and ResCap's plan of reorganization was confirmed on December 11, 2013 and became effective on December 17, 2013.

For further details with respect to the bankruptcy and the deconsolidation of ResCap Debtors, refer to Item 1A. Risk Factors and Note 1 to the Consolidated Financial Statements in AFI's Annual Report on Form 10-K for the year ended December 31, 2012 ("2012 Form 10-K"), and Item 1A. Risk Factors and Note 1 in each of AFI's Quarterly Report on Form 10-Q for the three months ended March 31, 2013 ("1Q 2013 Form 10-Q"), June 30, 2013 ("2Q 2013 Form 10-Q"), and September 30, 2013 ("3Q 2013 Form 10-Q"). For a discussion of the plan support agreement that AFI, the ResCap Debtors, and certain other parties entered into in connection with the bankruptcy, refer to AFI's Current Report on Form 8-K filed on May 23, 2013, as updated in Note 1 to the 2Q 2013 Form 10-Q, and Note 1 to the 3Q 2013 Form 10-Q.

b. Sale of International Businesses

During 2012, Ally decided to sell substantially all of its international businesses, which include automotive finance, insurance, and banking and deposit operations. On February 1, 2013, Ally completed the sale of its Canadian automotive finance operation to Royal Bank of Canada. On February 28, 2013, Ally completed the sale of Car Care Plan (Holdings) Ltd. , which held its remaining insurance operations in Europe and Latin America, to Amtrust Financial Services. On April 1, 2013, Ally completed the sale of the majority of its automotive finance operations in Europe and Latin America to General Motors Financial Company, Inc. ("GM Financial"), a wholly owned subsidiary of GM. On May 2, 2013, Ally completed the sale of its Mexican insurance company, Aba Seguros, S.A. de C.V., to ACE Ltd. On June 1, 2013, Ally completed the sale of the remainder of its automotive finance operations in Europe to GM Financial. On October 1, 2013, Ally completed the sale of the remainder of its automotive finance operations in Latin America to GM Financial. Finally, Ally anticipates closing the sale of its share in a joint venture in China to GM Financial during 2014. As a result of these sales, for all periods presented in this Public Section, the operating results for these operations have been removed from continuing operations.

For further details with respect to Ally's sales of international operations, refer to Notes 2 and 31 to the Consolidated Financial Statements in the 2012 Form 10-K, to Notes 2 and 27 to the 1Q 2013 Form 10-Q, Note 2 to the 2Q 2013 Form 10-Q, Notes 2 and 27 to the 3Q 2013 Form 10-Q, and to AFI's Current Report on Form 8-K filed on July 9, 2013. For further details with respect to sales that have been completed, refer to AFI's Current Reports on Form 8-K filed February 5, 2013, April 2, 2013, May 2, 2013, June 3, 2013, and October 2, 2013.

c. Mortgage

In July 2012, Ally Bank announced its intention to shut down its U.S. warehouse lending business. As of December 31, 2012, Ally Bank had successfully managed its warehouse receivables down to $0 with no commitments outstanding. On October 26, 2012, Ally Bank announced that it had begun to explore strategic alternatives for its agency mortgage servicing rights ("MSRs") portfolios and its business lending operations. Subsequently, on February 28, 2013, Ally Bank sold its business lending operations to Walter Investment Management Corp. On April 16, 2013, Ally Bank completed sales of agency MSRs to Ocwen Financial Corp. and Quicken Loans. Ally Bank's remaining MSRs were sold in a series of monthly closings, the last of which closed in September 2013. Finally, on April 17, 2013, Ally Bank announced a decision to exit the correspondent lending channel and cease production of any new jumbo mortgage loans.

The information contained in the Plans 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 information presented in these 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 Ally's 1Q 2013 Form 10-Q. Unless otherwise indicated, such information speaks only as of the date of the periods presented in the 1Q 2013 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 2012 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 2012 Form 10-K and the 1Q 2013 Form 10-Q may modify, update, and supersede information contained in the 2012 Form 10-K, the 1Q 2013 Form 10-Q, 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 2012 Form 10-K, the 1Q 2013 Form 10-Q, and other 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.

A. Names of Material Entities

Under the Section 165 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*) (2013). 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. *See 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. See *id*. §§ 243.2(d); 381.2(d).

Under the IDI Rule, a "Material Entity" is any company that is significant to the activities of a "Critical Service" or "Core Business Line." *See id.* § 360.10(b)(8). For these purposes, a Critical Service is a service or operation of Ally Bank, such as servicing, information technology support and operations, and human resources and personnel, that is necessary to continue Ally Bank's day-to-day operations. *See id*. § 360.10(b)(5). The FDIC's definition of the term "Core Business Line" for purposes of the IDI Rule is essentially identical to the definition of that term in the Section 165 Rule: 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. *See id.* § 360.10(b)(3).

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

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

Operating Entities	Staffing Entities
Ally Financial Inc. (Automotive finance) **Ally Bank** (FDIC-insured U.S. bank) **Motors Insurance Corporation** (Insurance company) **Ally Servicing LLC** (Auto accounts servicer)	**AFI US LLC** (Staffing entity for AFI) **GMAC Wholesale Mortgage Corp.** (Staffing entity for Ally Bank)

B. Description of Core Business Lines

Ally's primary business involves providing "Dealer Financial Services" to the U.S. auto industry. Ally's primary customers are automotive dealers, which are independently owned businesses. Ally offers a wide range of financial services and insurance products to approximately 16,000 automotive dealerships and approximately 4 million of their retail customers. Ally's automotive finance services include acquiring retail installment sale contracts 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 leasing, and vehicle remarketing services. Through its insurance affiliates, Ally also offers retail vehicle service contracts, commercial insurance primarily covering dealers' wholesale vehicle inventories, and maintenance coverage.

For Section 165 Plan purposes, AFI has identified three Core Business Lines: Automotive Finance, Insurance, and Direct Banking. Similarly, for IDI Plan purposes, Ally Bank has identified two Core Business Lines: Automotive Finance and Direct Banking. Other Ally business lines did not meet 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. As part of Ally's ongoing resolution planning process, the list of Ally's and Ally Bank's Core Business Lines will be subject to ongoing evaluation and updates.

1. Automotive Finance Core Business Line

Ally's Automotive Finance Core Business Line consists of automotive finance business operated in the United States. The Automotive Finance Core Business Line had $118.9 billion of assets as of March 31, 2013, of which $102.2 billion related to U.S. operations. In the first quarter of 2013, the Automotive Core Business Line generated $856.8 million of net revenue in its U.S. operations, and $855 million of total net revenue. Ally has approximately 1,700 automotive finance and 600 insurance employees across the United States, focused on serving the needs of Ally's dealer customers with finance and insurance products, expanding the number of overall dealer and automotive manufacturer relationships, and supporting Ally's dealer financing and underwriting functions.

In addition, Ally has over 1,600 employees that support its servicing operations. Ally manages commercial account servicing for approximately 5,000 dealers that utilize its floorplan inventory lending or other commercial loans. Ally also provided consumer asset servicing for a $76.5 billion portfolio as of March 31, 2013. The extensive infrastructure and experience of Ally's servicing operations are important to its ability to minimize credit losses and enable Ally to deliver a favorable customer experience to both dealers and their retail customers.

The Automotive Finance Core Business Line's primary customers are automotive dealers. Automotive dealers are independently owned businesses and are Ally's primary customers. 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 by expanding into different products as well as broadening its network of dealer relationships.

a. Commercial Automotive Financing

Ally's commercial automotive financing operations primarily fund dealer inventory purchases of new and used vehicles, commonly referred to as wholesale or floorplan financing. Ally also extends lines of credit and other loans to individual dealers. In general, each floorplan credit line is secured by all vehicles financed and, in most cases, by other assets owned by the dealer or by a personal guaranty. 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 appraised wholesale value, depending on the transaction. Interest on floorplan automotive financing is generally payable monthly and is usually indexed to a floating-rate benchmark. The rate for a particular dealer is based on, among other factors, the dealer's creditworthiness and eligibility for various incentive programs. During the first quarter of 2013, Ally financed an average of $29.1 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 retail installment sale contracts for new and used vehicles and leases for new vehicles. During the first quarter of 2013, Ally originated a total of 367,000 retail installment sale contracts and leases totaling approximately $9.7 billion.

Ally's consumer automotive financing operations generate revenue through financing and leasing payments by customers on retail installment sale contracts 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 originated, 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.

Automotive manufacturers may elect, as a marketing incentive, to sponsor special financing programs for retail sales of their vehicles. The manufacturer can lower the financing rate paid by the customer on either a retail installment sale contract or a lease by paying Ally the present value of the difference between the customer rate and Ally's standard market rates at contract inception. These marketing incentives are referred to as rate support or subvention. Automotive manufacturers may also, from time to time, offer lease pull-ahead programs, which encourage consumers to terminate existing leases early if they acquire a new vehicle. As part of these programs, Ally waives all or a portion of the customer's remaining payment obligation. In most cases, the automotive manufacturer compensates Ally for a portion of the foregone revenue from those waived payments after consideration of the extent to which Ally's remarketing sale proceeds are higher than otherwise would be realized if the vehicle had been remarketed at lease contract maturity. Automotive manufacturers may also elect to lower a customer's lease payments through residual support incentive programs. In these instances, Ally agrees at the time the lease is signed to increase the residual value of the vehicle on which the lease payments are based in exchange for a payment from the manufacturer.

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 car transactions. In the first quarter of 2013, Ally and others, including dealers, fleet rental companies, financial institutions, and GM, utilized SmartAuction to sell 67,000 vehicles to dealers and other commercial customers. SmartAuction served as the remarketing channel for approximately 35% of Ally's off-lease vehicles during 2012.

2. Insurance Core Business Line

Ally's Insurance Core Business Line offers both consumer finance 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-finance and insurance products, Ally offers vehicle service contracts ("VSCs"), guaranteed automotive protection ("GAP") products (which allow 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), 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 $8.3 billion of assets as of March 31, 2013, and generated $320 million of total net revenue in the first quarter of 2013.

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 dealerships and on a direct response basis. Ally also offers GAP products in connection with retail installment sale financing. Typically, the customer finances the cost of these products, together with the cost of the underlying vehicle, under 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. Ally sells this insurance to approximately 4,000 dealers. Among franchised dealers in the United States to whom Ally provides floorplan financing, its wholesale insurance product penetration rate is approximately 80%. Dealers who receive floorplan financing from Ally are eligible to participate in the Ally wholesale insurance program.

As typical for the insurance business, 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, 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 direct banking via the internet, telephone, mobile, and mail channels. Ally Bank has established a strong and growing retail banking franchise that is based on a promise of being straightforward, easy to use, and customer-service oriented. 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. On March 31, 2013, Ally Bank had $49.5 billion of external deposits, including $38.8 billion of retail deposits, $9.9 billion of brokered deposits, and $0.8 billion of mortgage escrow and other deposits.

Additional information related to Ally's business and strategic actions can be found in AFI's '34 Act Reports, including the 2012 Form 10-K, the 1Q 2013 Form 10-Q, the 2Q 2013 Form 10-Q, and the 3Q 2013 Form 10-Q, which are available at www.sec.gov and at www.ally.com/about/investor/sec-filings.

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

AFI's 2012 Form 10-K, 1Q 2013 Form 10-Q, 2Q 2013 Form 10-Q, and 3Q 2013 Form 10-Q include detailed financial reporting. Unless noted to the contrary, the following unaudited financial statements were extracted from the 1Q 2013 Form 10-Q. Please see the 1Q 2013 Form 10-Q for the notes to these unaudited financial statements. The notes are an integral part of Ally's unaudited consolidated financial statements.

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Condensed Consolidated Balance Sheet (unaudited)

The following table presents Ally's condensed consolidated balance sheet (unaudited) from the 1Q 2013 Form 10-Q for the periods ended March 31, 2013 and December 31, 2012:

($ in millions)	March 31, 2013	December 31, 2012
Assets		
Cash and cash equivalents		
Noninterest-bearing	**$ 1,043**	$ 1,073
Interest-bearing	**6,394**	6,440
Total cash and cash equivalents	**7,437**	7,513
Investment securities	**15,752**	14,178
Loans held-for-sale, net ($701 and $2,490 fair value-elected)	**718**	2,576
Finance receivables and loans, net		
Finance receivables and loans, net	**99,123**	99,055
Allowance for loan losses	**(1,197)**	(1,170)
Total finance receivables and loans, net	**97,926**	97,885
Investment in operating leases, net	**14,828**	13,550
Mortgage servicing rights	**917**	952
Premiums receivable and other insurance assets	**1,608**	1,609
Other assets	**7,950**	11,908
Assets of operations held-for-sale	**19,063**	32,176
Total assets	**$ 166,199**	$ 182,347
Liabilities		
Deposit liabilities		
Noninterest-bearing	**$ 844**	$ 1,977
Interest-bearing	**49,482**	45,938
Total deposit liabilities	**50,326**	47,915
Short-term borrowings	**7,618**	7,461
Long-term debt	**67,621**	74,561
Interest payable	**972**	932
Unearned insurance premiums and service revenue	**2,286**	2,296
Accrued expenses and other liabilities	**3,669**	6,585
Liabilities of operations held-for-sale	**13,233**	22,699
Total liabilities	**145,725**	162,449
Equity		
Common stock and paid-in capital	**19,668**	19,668
Mandatorily convertible preferred stock held by U.S. Department of Treasury	**5,685**	5,685
Preferred stock	**1,255**	1,255
Accumulated deficit	**(6,128)**	(7,021)
Accumulated other comprehensive (loss) income	**(6)**	311
Total equity	**20,474**	19,898
Total liabilities and equity	**$ 166,199**	$ 182,347

The Notes to Condensed Consolidated Financial Statements (unaudited) accompanying Ally's unaudited condensed consolidated balance sheet in this Resolution Plan and its 1Q 2013 Form 10-Q are an integral part of Ally's unaudited consolidated financial statements.

Condensed Consolidated Statement of Income (unaudited)

The following table presents Ally's consolidated statement of income (unaudited) from the 1Q 2013 Form 10-Q for the three months ended March 31, 2013:

($ in millions)	Three months ended March 31, 2013	2012
Financing revenue and other interest income		
Interest and fees on finance receivables and loans	**$ 1,135**	$ 1,093
Interest on loans held-for-sale	**16**	31
Interest on trading assets	**—**	9
Interest and dividends on available-for-sale investment securities	**68**	74
Interest-bearing cash	**3**	2
Operating leases	**734**	507
Total financing revenue and other interest income	**1,956**	1,716
Interest expense		
Interest on deposits	**164**	163
Interest on short-term borrowings	**16**	17
Interest on long-term debt	**701**	880
Total interest expense	**881**	1,060
Depreciation expense on operating lease assets	**435**	305
Net financing revenue	**640**	351
Other revenue		
Servicing fees	**82**	122
Servicing asset valuation and hedge activities, net	**(201)**	(106)
Total servicing income, net	**(119)**	16
Insurance premiums and service revenue earned	**259**	270
Gain on mortgage and automotive loans, net	**38**	20
Other gain on investments, net	**51**	89
Other income, net of losses	**157**	210
Total other revenue	**386**	605
Total net revenue	**1,026**	956
Provision for loan losses	**131**	98
Noninterest expense		
Compensation and benefits expense	**285**	303
Insurance losses and loss adjustment expenses	**115**	98
Other operating expenses	**558**	454
Total noninterest expense	**958**	855
(Loss) income from continuing operations before income tax expense	**(63)**	3
Income tax (benefit) expense from continuing operations	**(123)**	1
Net income from continuing operations	**60**	2
Income from discontinued operations, net of tax	**1,033**	308
Net income	**1,093**	310
Other comprehensive (loss) income, net of tax	**(317)**	187
Comprehensive income	**$ 776**	$ 497

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($ in millions)	Three months ended March 31, 2013	2012
Net income attributable to common shareholders		
Net income from continuing operations	**$ 60**	$ 2
Preferred stock dividends - U.S. Department of Treasury	**(133)**	(134)
Preferred stock dividends	**(67)**	(67)
Net loss from continuing operations attributable to common shareholders	**(140)**	(199)
Income from discontinued operations, net of tax	**1,033**	308
Net income attributable to common shareholders	**$ 893**	$ 109
Basic weighted-average common shares outstanding	**1,330,970**	1,330,970
Diluted weighted-average common shares outstanding (a)	**1,330,970**	1,330,970
Basic earnings per common share		
Net loss from continuing operations	**$ (105)**	$ (149)
Income from discontinued operations, net of tax	**776**	231
Net income	**$ 671**	$ 82
Diluted earnings per common share (a)		
Net loss from continuing operations	**$ (105)**	$ (149)
Income from discontinued operations, net of tax	**776**	231
Net income	**$ 671**	$ 82

(a) Due to the anti-dilutive effect of converting the Fixed Rate Cumulative Mandatorily Convertible Preferred Stock into common shares and the net loss from continuing operations attributable to common shareholders for the three months ended March 31, 2013 and 2012, loss from continuing operations attributable to common shareholders and basic weighted-average common shares outstanding were used to calculate basic and diluted earnings per share

The Notes to Condensed Consolidated Financial Statements accompanying Ally's consolidated statement of income (unaudited) in this Resolution Plan and its 1Q 2013 Form 10-Q are an integral part of Ally's unaudited consolidated financial statements.

1. Capital

As a bank holding company, AFI and its insured depository institution subsidiary, Ally Bank, are subject to risk-based capital and leverage guidelines issued by federal and state banking regulators that require that their capital-to-assets ratios meet certain minimum standards. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, AFI and Ally Bank must meet specific capital guidelines that involve quantitative measures of their assets and certain off-balance sheet items. AFI and Ally Bank's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk-weightings, and other factors. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the consolidated financial statements or the results of operations and financial condition of AFI and Ally Bank.

The risk-based capital ratios are determined by allocating assets and specified off-balance sheet financial instruments into several broad risk categories with higher levels of capital being required for the categories that present greater risk. Under the capital adequacy guidelines, Total capital is divided into two tiers: Tier 1 capital and Tier 2 capital. Tier 1 capital generally consists of common equity, minority interests, qualifying noncumulative preferred stock, and the fixed-rate cumulative preferred stock sold to the U.S. Treasury under the Troubled Asset Relief Program, less goodwill and other adjustments. Tier 2 capital generally consists of perpetual preferred stock not qualifying as Tier 1 capital, limited amounts of subordinated debt, and the allowance for loan losses, and other adjustments. The amount of Tier 2 capital may not exceed the amount of Tier 1 capital. Finally, Total capital is the sum of Tier 1 and Tier 2 capital.

Under the capital adequacy guidelines, banking organizations are required to maintain a minimum Total risk-based capital ratio (Total capital to risk-weighted assets) of 8% and a Tier 1 risk-based capital ratio (Tier 1 capital to risk-weighted assets) of 4%. The federal banking regulators also have established minimum leverage ratio guidelines. The leverage ratio is defined as Tier 1 capital divided by adjusted quarterly average total assets (which reflect adjustments for disallowed goodwill and certain intangible assets). The minimum Tier 1 leverage ratio is 3% or 4%, depending on factors specified in the regulations.

A banking institution meets the regulatory definition of "well-capitalized" when its Total risk-based capital ratio equals or exceeds 10% and its Tier 1 risk-based capital ratio equals or exceeds 6%; and for an insured depository institution, when its leverage ratio equals or exceeds 5%, unless subject to a regulatory directive to maintain higher capital levels.

The banking regulators also have developed a measure of capital called Tier 1 common, defined as Tier 1 capital less non-common elements, including qualifying perpetual preferred stock, minority interest in subsidiaries, trust preferred securities, and mandatory convertible preferred securities. Tier 1 common is used by banking regulators, investors, and analysts to assess and compare the quality and composition of Ally's capital with the capital of other financial services companies. In addition, bank holding companies with assets of $50.0 billion or more, such as AFI, must develop and maintain a capital plan annually and, among other elements, the capital plan must include a discussion of how AFI will maintain a *pro forma* Tier 1 common ratio (Tier 1 common to risk-weighted assets) above 5% under expected conditions and certain stressed scenarios.

On October 29, 2010, Ally Bank, AFI, IB Finance Holding Company, LLC (a subsidiary of AFI and the direct parent company of Ally Bank), and the FDIC entered into a Capital and Liquidity Maintenance Agreement ("CALMA"). The effective date of the CALMA was August 24, 2010. The CALMA requires capital at Ally Bank to be maintained at a level such that Ally Bank's leverage ratio is at least 15%. For this purpose, the leverage ratio is determined in accordance with the FDIC's regulations related to capital maintenance.

The following table summarizes AFI and Ally Bank's capital ratios as of March 31, 2013 and December 31, 2012:

	March 31, 2013		December 31, 2012			
(*$ in millions*)	**Amount**	**Ratio**	Amount	Ratio	Required minimum	Well-capitalized minimum
Risk-based capital						
Tier 1 (to risk-weighted assets)						
AFI	**$ 20,663**	**14.59 %**	$ 20,232	13.13 %	4.00 %	6%
Ally Bank	**14,380**	**16.68**	14,136	16.26	4.00	6.00
Total (to risk-weighted assets)						
AFI	**$ 22,084**	**15.59 %**	$ 21,669	14.07 %	8.00 %	10%
Ally Bank	**15,073**	**17.48**	14,827	17.06	8.00	10.00

[Table continues on the next page.]

($ in millions)	March 31, 2013 Amount	Ratio		December 31, 2012 Amount	Ratio		Required minimum		Well-capitalized minimum
Tier 1 leverage (to adjusted quarterly average assets) (a)									
AFI	**$ 20,663**	**12.01**	**%**	$ 20,232	11.16	%	3.00-4.00%		(b)
Ally Bank	**14,380**	**15.59**		14,136	15.30		15.00	(c)	5%
Tier 1 common (to risk-weighted assets)									
AFI	**$ 11,180**	**7.89**	**%**	$ 10,749	6.98	%	n/a		n/a
Ally Bank	**n/a**	**n/a**		n/a	n/a		n/a		n/a

n/a = not applicable

(a) Federal regulatory reporting guidelines require the calculation of adjusted quarterly average assets using a daily average methodology.

(b) There is no Tier 1 leverage component in the definition of a well-capitalized bank holding company.

(c) Ally Bank, in accordance with the CALMA, is required to maintain a Tier 1 leverage ratio of at least 15%.

On March 31, 2013, AFI and Ally Bank were "well-capitalized" and met all capital requirements to which each was subject.

2. Basel Capital Accord

The minimum risk-based capital requirements adopted by the federal banking agencies follow the Capital Accord ("Capital Accord" or "Basel I") of the Bank for International Settlements' Basel Committee on Banking Supervision ("Basel Committee"). The Capital Accord was published in 1988 and generally applies to depository institutions and their holding companies in the United States. In 2004, the Basel Committee published a revision to the Capital Accord ("Basel II"). The goal of the Basel II capital rules is to provide more risk-sensitive regulatory capital calculations and promote enhanced risk-management practices among large, internationally active banking organizations. U.S. banking regulators published final Basel II rules in December 2007. Basel II contemplated a three-year transition period during which a bank holding company or bank could gradually lower its capital level below the levels required by Basel I. However, under a final capital rule that implements a provision of the Dodd-Frank Act, AFI and Ally Bank must continue to calculate their risk-based capital requirements under Basel I, and the capital requirements that each computes under Basel I will serve as a floor for its risk-based capital requirement computed under Basel II. As of December 31, 2013, Ally is not required to comply with the Basel II rules as implemented by the U.S. banking regulators.

In addition to Basel II, the Basel Committee adopted new capital, leverage, and liquidity guidelines under the Capital Accord in December 2010 ("Basel III"), which when implemented in the United States, may have the effect of raising capital requirements beyond those required by current law and the Dodd-Frank Act. Basel III calls for an increase of the minimum Tier 1 common equity ratio to 4.5%, net of regulatory deductions, and introduces a capital conservation buffer of an additional 2.5% of common equity to risk-weighted assets, raising the target minimum common equity ratio to 7.0%. Basel III increases the minimum Tier 1 capital ratio to 8.5% (inclusive of the capital conservation buffer), increases the minimum Total capital ratio to 10.5% (inclusive of the capital conservation buffer), and introduces a countercyclical capital buffer of up to 2.5% of common equity or other fully loss absorbing capital for periods of excess credit growth. Basel III also introduces a non-risk adjusted Tier 1 leverage ratio of 3%, based on a measure of the total exposure rather than total assets, and new liquidity standards. The Basel III capital, leverage, and liquidity standards will be phased in over a multi-year period. The Basel III rules also call for a 15% cap on the amount of Tier 1 capital that can be met, in the aggregate, through significant investments in the common shares of unconsolidated financial subsidiaries, MSRs, and deferred tax assets through timing differences. In addition, under the Basel III rules, after a ten-year phase-out period beginning in January 2013, trust preferred and other "hybrid" securities will no longer qualify as Tier 1 capital. However, under the Dodd-Frank Act, subject to certain exceptions (*e.g.,* for debt or equity issued to the U.S. government under the Emergency Economic Stabilization Act), trust preferred and other "hybrid" securities are phased out from Tier 1 capital over a three-year period starting January 2013.

In July 2013, the U.S. federal banking agencies finalized rules implementing the Basel III regulatory capital framework and related Dodd-Frank Act changes. The final rules represent substantial revisions to the regulatory capital rules for banking organizations. Highlights of the final rules include a revised definition of capital in order to implement the Basel III reforms as well as higher minimum capital ratios that will apply to most banking organizations. The final rules remove the use of credit ratings from both the standardized and advanced approaches, as required by the Dodd-Frank Act. In addition, the standards in the existing Basel I risk-based capital rules, which are referred to as the "general risk-based capital requirements," have been revised to include a more risk-sensitive risk-weighting approach. The phase-in period applicable to Ally begins in January 2015.

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

3. Capital Planning and Stress Tests

In December 2011, the U.S. banking regulators imposed capital planning and stress test requirements on bank holding companies with $50.0 billion or more of consolidated assets. The capital planning regime requires Ally to submit a proposed capital plan to the Federal Reserve every January, which the Federal Reserve must take action on by the following March. The proposed capital plan must include a description of all planned capital actions over a nine-quarter planning horizon, including issuance of any debt or equity capital instrument, any capital distribution and any similar action that the Federal Reserve determines could have an impact on Ally's consolidated capital. The proposed capital plan must also include a discussion of how Ally will maintain capital above the minimum regulatory capital ratios and above a Tier 1 common equity-to-total risk-weighted assets ratio of 5%, and serve as a source of strength to Ally Bank. The Federal Reserve's capital plan rule requires that Ally receive no objection from the Federal Reserve before making a capital distribution. If the Federal Reserve objects to the capital plan, or if certain material events occur after approval of a plan, Ally must submit a revised capital plan within 30 days. In addition, even with an approved capital plan, Ally must seek the approval of the Federal Reserve before making a capital distribution if, among other factors, Ally would not meet its regulatory capital requirements after making the proposed capital distribution.

In October 2012, U.S. banking regulators issued final rules on stress testing. The Federal Reserve's final rule requires Ally to conduct semi-annual (annual and mid-cycle) stress tests under baseline, adverse, and severely adverse economic scenarios over a nine-quarter planning horizon. The FDIC's final rule requires Ally Bank to conduct an annual stress test under baseline, adverse, and severely adverse economic scenarios over a nine-quarter planning horizon. Under these rules, Ally and Ally Bank are required to submit the results of these stress tests to regulators and publicly disclose the results of the stress tests under the severely adverse economic scenario. Per the rules, the regulators will also publish, by March 31 of each calendar year, a summary of the supervisory stress test results for each company.

Stress tests are intended to provide supervisors with forward-looking information to help identify downside risk and the potential effect of adverse conditions on capital adequacy. Stress tests required under the Federal Reserve's final rule are integrated into the capital planning process under the Federal Reserve's capital plan rule. In January 2013, Ally submitted the required 2013 capital plan and stress tests as required by these regulations. In March 2013, the Federal Reserve objected to the capital plan both on quantitative and qualitative grounds. Ally submitted a revised capital plan on September 6, 2013. The Federal Reserve announced that it has not objected to Ally's revised capital plan on November 15, 2013. In connection with its reviews, the Federal Reserve continues to provide its approval for dividend and interest payments on preferred equity and debt instruments included in Ally's regulatory capital, including preferred stock, trust preferred securities, and subordinated debt.

4. Funding and Liquidity

Ally's funding strategy largely focuses on the development of diversified funding sources, which it manages across products, programs, markets, and investor groups. Ally funds its assets primarily with a mix of retail and brokered deposits, public and private asset-backed securitizations, asset sales, committed and uncommitted credit facilities, and public unsecured debt.

The diversity of Ally's funding sources enhances funding flexibility, limits dependence on any one source, and results in a more cost-effective funding strategy over the long term. Throughout 2008 and 2009, the global credit markets experienced extraordinary levels of volatility and stress. As a result, access by market participants, including Ally, to the capital markets was significantly constrained and borrowing costs increased. In response, numerous government programs were established aimed at improving the liquidity position of U.S. financial services firms. After AFI converted to a bank holding company in late 2008, Ally participated in several of these programs, including the Temporary Liquidity Guaranty Program ("TLGP"), Term Auction Facility, and Term Asset-Backed Securities Loan Facility. Ally's diversification strategy and participation in these programs helped it maintain sufficient liquidity during this period of financial distress to meet all maturing unsecured debt obligations and to continue its lending and operating activities. During 2012, Ally repaid the TLGP debt; the other programs were discontinued prior to 2012.

As part of AFI's overall transformation from an independent financial services company to a bank holding company, Ally took actions to further diversify and develop more stable funding sources and, in particular, embarked upon initiatives to grow its consumer deposit-taking capabilities within Ally Bank. In addition, Ally began distinguishing its liquidity management strategies between bank funding and non-bank funding.

Maximizing bank funding continues to be the cornerstone of Ally's long-term liquidity strategy. Ally has made significant progress in migrating assets to Ally Bank and growing Ally Bank's retail deposit base since AFI became a bank holding company. Retail deposits provide a low-cost source of funds that are less sensitive to interest rate changes, market volatility, or changes in Ally's credit ratings, than other funding sources. As of March 31, 2013, Ally Bank had $49.5 billion of total external deposits, including $38.8 billion of retail deposits, which constituted about 40% of Ally's total funding. This compares to just 14% on December 31, 2008.

In addition to building a larger deposit base, Ally continues to remain active in the securitization markets to finance Ally Bank's automotive financing portfolios. For example, during 2012, Ally issued $11.8 billion in secured funding backed by automotive retail installment sale contracts and retail leases as well as dealer floorplan automotive loans of Ally Bank. Continued structural efficiencies in securitizations combined with improving capital market conditions have resulted in a reduction in the cost of funds achieved through secured funding transactions, making them a very attractive source of funding. In addition, for retail installment sale contracts and retail leases, the term structure of the transaction locks in funding for a specified pool of retail installment sale contracts and leases for the life of the underlying assets. Once a pool of retail installment sale contracts 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 assets. Ally manages the execution risk arising from secured funding by maintaining a diverse investor base and maintaining committed secured facilities.

As Ally has shifted its focus to migrating assets to Ally Bank and growing its bank funding capabilities, Ally's reliance on parent company liquidity has consequently been reduced. Funding sources at AFI generally consist of longer-term unsecured debt, private credit facilities, and asset-backed securitizations. For example, in 2012, AFI issued over $3.6 billion of unsecured debt globally through several issuances. On March 31, 2013, Ally had $1.0 billion and $5.6 billion of outstanding unsecured long-term debt with maturities in 2013 and 2014, respectively. To fund these maturities, Ally expects to use existing pre-issued liquidity combined with maintaining an opportunistic approach to new issuances.

The strategies previously outlined have allowed Ally to build and maintain a conservative liquidity position. On March 31, 2013, total available liquidity at AFI and Ally Bank was $19.5 billion and $10.4 billion, respectively. AFI liquidity is defined as Ally's consolidated operations, less Ally Bank and the subsidiaries of Ally Insurance Holdings, Inc. ("Ally Insurance Holdings"). At the same time, since the first quarter of 2011, these strategies have also resulted in a cost of funds improvement of approximately 95 basis points at December 31, 2012. Looking forward, given Ally's enhanced liquidity and capital position and generally improved credit ratings, Ally expects that its cost of funds will continue to improve over time.

5. Troubled Asset Relief Program

As part of the Automotive Industry Financing Program created under the Troubled Asset Relief Program ("TARP") established by the U.S. Department of Treasury ("Treasury") under the Emergency Economic Stabilization Act of 2008 ("EESA"), AFI has entered into agreements pursuant to which Treasury has made investments in AFI. As a result of these investments, subject to certain exceptions, AFI and its subsidiaries are generally prohibited from paying certain dividends or distributions on, or redeeming, repurchasing, or acquiring any AFI common stock without the consent of Treasury. AFI has further agreed that while any obligation of AFI arising from financial assistance provided under TARP remains outstanding, AFI will comply with certain restrictions on executive perquisites and compensation. AFI must also take all necessary action to ensure that its benefit plans comply with Section 111(b) of the EESA as implemented by any guidance or regulation under the EESA, as amended by the American Recovery and Reinvestment Act of 2009, as implemented by the Interim Final Rule issued by Treasury on June 15, 2009, and any rulings, limitations, or restrictions implemented or issued by the Office of the Special Master for TARP Compensation.

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 derivative transactions, including interest-rate swaps, futures, forwards, options, and swaptions, in connection with its market risk management activities. Derivatives are used to manage interest-rate risk relating to specific groups of assets and liabilities, including automotive receivables and debt. Ally's primary objective for utilizing derivatives is to manage market risk volatility associated with interest-rate risks related to its assets and liabilities.

In addition, Ally uses foreign exchange contracts to mitigate foreign-currency risk associated with foreign currency-denominated investment securities, foreign currency-denominated debt, foreign exchange transactions, and Ally's net investment in foreign subsidiaries. Derivatives that were held for trading purposes were limited to those entered into by Ally's broker-dealer. Since the discontinuation of that business, Ally no longer has any derivatives classified as trading.

1. Interest Rate Risk

Ally executes interest-rate swaps to modify the exposure to interest-rate risk by converting certain fixed-rate instruments to a variable rate and certain variable-rate instruments to a fixed rate. 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 swaps to achieve the desired mix of fixed- and variable-rate assets and debt. Some of these hedges may qualify for hedge accounting treatment. Economic hedges have also been entered into to mitigate exposure for the following categories: mortgage servicing rights, mortgage loan commitments, mortgage loans held-for-sale, debt, equity and other fixed versus variable rate exposure. Ally sold its agency MSRs during the second quarter of 2013. As of September 30, 2013, Ally had no mortgage loan commitments and an immaterial amount of held-for-sale mortgage loans. Thus, Ally no longer hedges these activities.

2. Foreign Currency Risk

Ally enters into derivative financial instrument contracts to mitigate the risk associated with variability in cash flows related to foreign currency financial instruments. While Ally has reduced the foreign exchange exposure to net investments in foreign operations through the sales of discontinued international businesses, foreign-currency forwards and option- based contracts have been entered into with external counterparties to hedge foreign exchange exposure on our net investments. A centralized-lending program is also used to manage liquidity for the subsidiary businesses, but as of September 30, 2013, this activity is immaterial given the limited international operations.

Except for the remaining net investment hedges, Ally generally has not elected to treat any foreign-currency derivatives as hedges for accounting purposes principally because the changes in the fair values of the foreign-currency swaps are substantially offset by the foreign-currency revaluation gains and losses of the underlying assets and liabilities.

3. Counterparty Credit Risk

Derivatives contain an element of credit risk if counterparties are unable to meet the terms of the agreements. Credit risk associated with derivatives is measured as the net replacement cost should the counterparties that owe Ally under the contract completely fail to perform under the terms of those contracts, assuming no recoveries of underlying collateral as measured by the market value of the derivative.

To mitigate the risk of counterparty default, Ally maintains collateral agreements with its counterparties. The agreements require both parties to maintain collateral in the event the fair values of the derivatives meet established thresholds. In the event that either party defaults on the obligation, the secured party may seize the collateral. Generally, Ally's collateral arrangements are bilateral such that Ally and the counterparty each post collateral for the value of its total obligation to the other party. Contractual terms provide for standard and customary exchanges of collateral based on changes in the market value of the outstanding derivatives. The securing party posts additional collateral when their obligation rises or removes collateral when it falls. Ally also has unilateral collateral agreements whereby either Ally or its counterparty is the only entity required to post collateral. Finally, certain derivatives contain provisions that require Ally to either post additional collateral or immediately settle any outstanding liability balances upon the occurrence of a specified credit risk-related event.

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

To facilitate its business and support client and customer needs, Ally maintains memberships with and participates in certain payment, clearing, and settlement systems, which are also known as financial market utilities ("FMUs"). FMUs 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 has direct access to these FMUs.

The following table lists the material payment, clearing, and settlement systems in which Ally maintains a direct membership.

Type	FMU	Description of Services
Payment Systems	Fedwire Funds Service	Electronic payment system for cash in the United States
	FedACH Services	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	SWIFT (The Society for Worldwide Interbank Financial Telecommunication)	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

F. Description of Non-U.S. Operations

During 2012, Ally decided to sell substantially all of its international businesses, which included automotive finance, insurance, and banking and deposit operations. On February 1, 2013, Ally completed the sale of its Canadian automotive finance operation to Royal Bank of Canada. On February 28, 2013, Ally completed the sale of Car Care Plan (Holdings) Ltd. , which held its remaining insurance operations in Europe and Latin America, to Amtrust Financial Services. On April 1, 2013, Ally completed the sale of the majority of its automotive finance operations in Europe and Latin America to GM Financial. On May 2, 2013, Ally completed the sale of its Mexican insurance company, Aba Seguros, S.A. de C.V., to ACE Limited. On June 1, 2013, Ally completed the sale of the remainder of its automotive finance operations in Europe to GM Financial. On October 1, 2013, Ally completed the sale of the remainder of its automotive finance operations in Latin America to GM Financial. Finally, Ally anticipates closing the sale of its share in a joint venture in China to GM Financial during 2014.

For further details with respect to Ally's sales of international operations, refer to Notes 2 and 31 to the Consolidated Financial Statements in the 2012 Form 10-K, to Notes 2 and 27 to the 1Q 2013 Form 10-Q, Note 2 to the 2Q 2013 Form 10-Q, Notes 2 and 27 to the 3Q 2013 Form 10-Q, and to AFI's Current Report on Form 8-K filed on July 9, 2013. For further details with respect to sales that have been completed, refer to AFI's Current Reports on Form 8-K filed February 5, 2013, April 2, 2013, May 2, 2013, June 3, 2013, and October 2, 2013.

Upon completion of these transactions, Ally's non-U.S. operations will be limited to the following:

- Motors Insurance Corporation ("MIC"), an U.S.-based insurance unit, operating through a Canadian branch ("Canadian Branch"), engages in the underwriting of vehicle service contracts, wholesale vehicle inventory insurance, and a tire road hazard program throughout Canada; and a third party administration unit responsible for marketing, sales, policy and claim administration of vehicle service 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.

- Ally International Insurance Company Ltd., a subsidiary of Ally Insurance Holdings, is a Bermuda re-insurance company with a 50% quota share reinsurance agreement for the vehicle service contract business underwritten by the Canadian Branch of MIC.

- Limited non-automotive commercial 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.

On April 1, 2013, after excluding pending sales, Ally had approximately $1.1 billion in non-U.S. assets.

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 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 under 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. non-bank subsidiaries with respect to the activities of those subsidiaries. Such “functionally regulated” non-bank subsidiaries include the insurance company subsidiaries of Ally Insurance Holdings (“Insurance Subsidiaries”).

2. Ally Bank

Ally Bank is a Utah state-chartered nonmember bank, and a member of the FDIC. Ally Bank is supervised and examined by the FDIC's New York regional office, 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. Accordingly, AFI and Ally Bank may be subject to examination by the state banking department or other applicable regulatory authority 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 law, 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 vehicle service contracts and GAP products. The Canadian Branch of MIC is also regulated by the Office of the Superintendent of Financial Institutions under a similar regulatory regime.

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 4-10 and 11-15, respectively, of the 2012 Form 10-K.

H. Principal Officers

1. Principal Officers of AFI

- **Michael A. Carpenter, Chief Executive Officer**
  Michael Carpenter was named Chief Executive Officer of AFI in November 2009 and has served on its Board of Directors since May 2009. He oversees all strategy and operations to focus on strengthening the core businesses, while positioning the company for long-term growth.

- **William F. Muir, President**
  William Muir is President of AFI and head of its Dealer Financial Services business. He oversees the company's automotive finance, insurance, vehicle remarketing and

servicing operations. Muir is also a member of the Ally Bank Board of Directors. Muir joined GMAC (now known as AFI) in 1992 as Vice President of National Accounts. In 1995, he became Vice President of Eastern U.S. Operations. In 1996, Muir transferred to General Motors' Delphi Automotive Systems unit as Executive-in-Charge of Operations and was later appointed Executive Director of Planning. Muir returned to GMAC in February 1998 as Executive Vice President and Chief Financial Officer. He was given the additional title of Chairman of GMAC's Insurance Group in June 1999 and named President of GMAC in 2004.

- **Jeffrey J. Brown, Senior Executive Vice President of Finance and Corporate Planning**
  Jeffrey Brown was appointed Senior Executive Vice President of Finance and Corporate Planning of AFI in June 2011. In this role, Brown oversees the finance, treasury, and corporate strategy activities of the company. Brown joined AFI in March 2009 as Corporate Treasurer with responsibility for global treasury activities, including funding and balance sheet management.

- **Christopher A. Halmy, Chief Financial Officer**
  Christopher Halmy was named Chief Financial Officer of AFI in November 2013. In this role, he is responsible for the oversight of the company's financial analysis, treasury, controls and reporting, accounting, business planning and investor relations. Halmy joined AFI in 2009 and has served as Corporate Treasurer since 2011.

- **David J. DeBrunner, Vice President, Chief Accounting Officer, and Corporate Controller**
  David DeBrunner was named Vice President, Chief Accounting Officer, and Controller of AFI in September 2007. DeBrunner joined Ally from Fifth Third Bancorp ("Fifth Third") where he was Senior Vice President, Corporate Controller, and Chief Accounting Officer from January 2002 to August 2007. In this role, he is responsible for the company's accounting, external reporting, financial controls, tax, and finance shared services.

- **Brian M. Gunn, Chief Risk Officer**
  Brian Gunn was named Chief Risk Officer of AFI in November 2011. In this role, Gunn has overall responsibility for achieving an appropriate balance between risk and return, mitigating unnecessary risk and protecting the company's financial returns. Gunn joined AFI in 2008 as Chief Risk Officer for the Global Automotive Services business where he was responsible for overseeing disciplined risk processes, governance and analytics in support of Ally's efforts to diversify and grow its automotive product lines. In this role, Gunn established a global automotive risk management framework for all product lines across North America, Latin America, Europe and China.

2. Principal Officers of Ally Bank

- **Barbara A. Yastine, Chairman, Chief Executive Officer and President**
  Barbara A. Yastine was named Chief Executive Officer and President of Ally Bank in May 2012. She also continues as Chair of Ally Bank, a position she assumed when she joined AFI in 2010. Yastine is a seasoned executive with diverse experience in financial services. She joined AFI in May 2010 as Chief Administrative Officer, where

she had oversight for the risk, compliance, legal and technology functions, as well as serving as Ally Bank Chair.

- **<u>Diane E. Morais, Deposits and Line of Business Integration Executive</u>**
  Diane Morais is the Deposits and Line of Business Integration Executive for Ally Bank. In this capacity, she is responsible for overseeing the overall growth and profitability of the deposit business, including Ally Bank marketing strategies, customer experience product and pricing optimization, customer contact centers, and back office operations. Morais also oversees Ally Bank's Community Reinvestment Act activities. In addition to being a member of the Ally Bank Board of Directors, she serves as the primary liaison between Ally Bank and other key business areas to evaluate opportunities for growth and ensure strategic alignment.

- **<u>David P. Shevsky, Chief Risk Officer</u>**
  David Shevsky was named Chief Risk Officer for Ally Bank in June 2011. In this role he is responsible for recommending and administering risk management policies, processes and systems to ensure that the organization operates within stated risk-return characteristics. The position spans the entire organization and covers credit, market, and operational risk. Prior to becoming the Chief Risk Officer for Ally Bank, Shevsky was the AFI Loan Review Executive. In that role he was responsible for establishing a loan review function that provided AFI senior management and the Risk and Compliance Committee of the Board of Directors with independent and on-going assessments of AFI's loan portfolios and credit risk management practices. Previously, Shevsky was a Senior Vice President, Enterprise Risk Policy, for GMAC Enterprise Risk Services. In that role he was responsible for leading an enterprise-wide approach for economic capital management and commercial credit risk management. Dave collaborated with senior executive management and operational management at all GMAC entities to implement the framework.

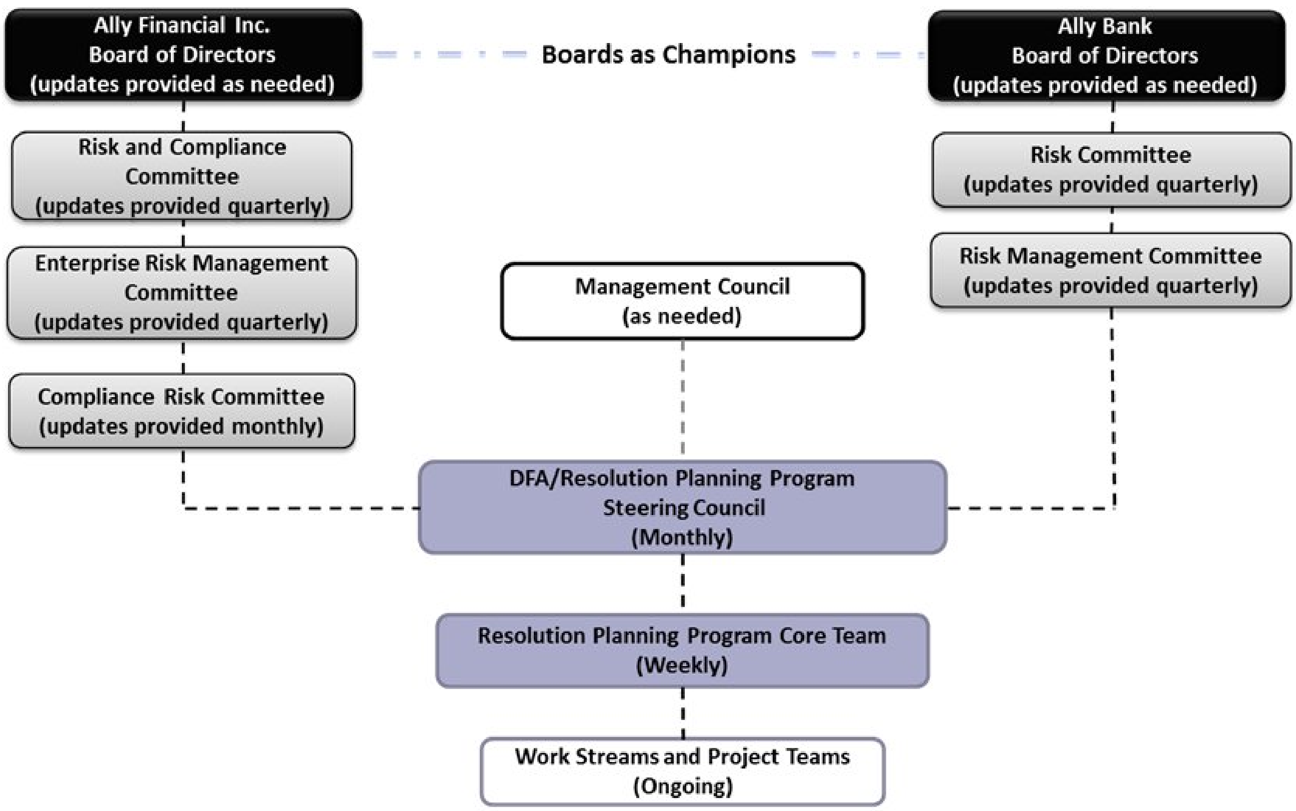
- **<u>James N. Young, Chief Financial Officer</u>**
  James Young was named Chief Financial Officer of Ally Bank in August 2013. Previously Young served as Chief Financial Executive of Ally Bank from May 2011 until his appointment as Chief Financial Officer. In this role, he is responsible for the oversight of all finance and treasury activities of Ally Bank. He joined Ally Bank's Board of Directors in November 2013. Previously Young served as Chief Financial Officer for the mortgage operations of AFI and ResCap. In that role he was responsible for financial oversight, analysis, controls and reporting, accounting and business planning for the company's mortgage-related operations. Young also held a number of other leadership roles at ResCap, including Deputy Chief Financial Officer, Residential Finance Group Chief Financial Officer, Chief Accounting Officer, and Controller.

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 a network that includes the Boards of Directors of AFI and

Ally Bank, Board committees, senior management committees, management councils, legal entity and business line management, and key functions. Governance and oversight begin with the Boards of Directors of AFI and Ally Bank, which serve, both directly and through their respective Risk and Compliance and Risk Committees, as overall "Champions" for the resolution planning process:



Other management committees and councils involved in the governance, oversight, and development of the Plans include the following committees and councils at AFI and Ally Bank:

Enterprise Risk Management Committee ("ERMC"). As the most senior risk and compliance management committee at AFI, the ERMC oversees the responsibility of senior management to manage Ally's risk profile within the appetite and tolerances set by the Risk and Compliance Committee of the AFI Board of Directors. In addition, the ERMC oversees the implementation of Ally's risk and compliance programs, including the resolution planning process.

Compliance Risk Committee ("CRC"). The CRC is a subcommittee of the ERMC. The CRC is responsible for oversight of Ally's compliance risk management strategy and compliance program implementation and maintenance efforts. The CRC is enterprise-wide, covering compliance matters emanating from Ally's business lines, legal entities, and global functions, including the resolution planning process.

Risk Management Committee ("RMC"). As the most senior risk and compliance management committee at Ally Bank, the RMC oversees the responsibility of senior management to monitor Ally Bank's risk profile within the authorities and tolerances established by the Risk Committee of the

Ally Bank Board of Directors. In addition, the RMC oversees the implementation of Ally Bank's risk and compliance programs, including the resolution planning process.

Dodd-Frank/Resolution Planning Program Steering Council ("DFA/RPP Steering Council"). AFI and Ally Bank jointly established the DFA/RPP Steering Council to provide strategic guidance and oversight for Dodd-Frank Act compliance, including the resolution planning process. In addition to its general Dodd-Frank Act compliance activities, the DFA/RPP Steering Council reviews Ally's progress towards meeting regulatory compliance deadlines for the resolution planning process, evaluates risks to Ally's compliance with the Rules, provides guidance for the scope of activities to be pursued in the course of compliance, and monitors expenses incurred for compliance activities related to the resolution planning process.

2. Resolution Planning Process

The Resolution Planning Program Core Team ("Core Team") actively works to develop and maintain the Plans and to ensure the Plans contain the information required by the Rules and by the materials and feedback provided in regular meetings with the Federal Reserve and the FDIC. The Core Team coordinates various workstreams in the business lines and global functions in the development and maintenance of the Plans. In the course of its regular activities, the Core Team:

- Evaluated the resolution planning assumptions provided by the Federal Reserve and the FDIC, and developed additional assumptions internally
- Together with internal and external counsel, reviewed the impact of counterparties' contractual rights on the resolution planning process and the Plans
- Reviewed potential resolution strategies for Ally and Ally Bank and, in consultation with external financial consultants and internal and external counsel, identified the strategies set forth in the Plans
- Based on information from, among other sources, Ally's material management information systems, identified Ally's Material Entities, Core Business Lines, Critical Operations (if any, including any Critical Operations identified by the Federal Reserve and the FDIC), and Critical Services
- Reviewed Ally's Core Business Lines, Critical Services, and any Critical Operations to determine how they could best be maintained, sold, or wound down in a rapid and orderly manner
- Identified and reviewed potential impediments to the resolution strategies set forth in the Plans and their potential mitigants

The Plans were developed and vetted broadly throughout the Ally organization. The Plans were presented to senior management, internal governance committees, and subject matter experts in the business lines and global functions. Following these reviews, the Plans were presented to the Board committees responsible for resolution planning and, ultimately, to the Boards of Directors of AFI and Ally Bank for review and approval.

3. Board Approval and Submission

As required by the Section 165 Rule, the AFI Board of Directors approved the Section 165 Plan on December 19, 2013. As required by the IDI Rule, the Ally Bank Board of Directors approved the IDI Plan on December 5, 2013. Ally submitted the Section 165 and IDI Plans on December 20, 2013.

J. Description of Material Management Information Systems

Ally extensively leveraged its material Management Information Systems ("MIS") in the preparation and production of the Plans. 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 support 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.

In order to ensure the quality of the data in its material MIS, Ally has a defined Data Governance policy and framework, and is developing standards for critical data elements. A Global Data Governance Council, chaired by Ally's Data Governance Executive and composed of Data Stewards across all lines of business and support functions, oversees Ally's data governance activities and champions continuous improvement initiatives.

Ally has a business continuity program that has prepared the organization for a broad array of situations. Ally utilizes multiple data centers to provide failovers to key systems, high frequency back-ups for individual workstations, and mobile command and operations centers to provide temporary workspace. Ally also has a high capacity virtual private network to allow for home-based 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.

K. High-Level Description of Resolution Strategy

1. Assumptions

The Federal Reserve and the FDIC have mandated the use of certain baseline assumptions by Ally and Ally Bank in the preparation of the Section 165 Plan and the IDI Plan, respectively. These assumptions include the following:

- With no prior disruption to the financial markets, Ally and Ally Bank have experienced a sudden, unforeseen idiosyncratic financial loss or liquidity event resulting in “material financial distress,” *i.e.,* 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; Ally's assets are, or are likely to be, less than its obligations to creditors and others; or 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. *See* 12 C.F.R. §§ 243.2(m); 381.2(m)

- All Material Entities fail and commence insolvency proceedings under their respective insolvency regime

- U.S. financial markets are functioning normally for other market participants

- Other market participants are in good financial condition and have not been adversely affected by the idiosyncratic event that caused the failure of Ally and Ally Bank

- No extraordinary government support or assistance

- Unsecured funding is unavailable to Ally

The circumstances leading to an actual failure of a financial institution such as Ally or Ally Bank are likely to differ, perhaps substantially so, from the assumptions on which the Plans are premised. These differences might materially alter the specific strategies and choices made and undertaken in the course of an actual resolution.

Ally and Ally Bank considered a variety of strategies or options during the development of the Plans. Each of those strategies or options considered:

- The different insolvency regimes to which the Material Entities would be subject

- The contractual terms of Ally's contracts and transactions (*e.g.,* qualified financial contracts) with counterparties, how those contracts would be affected and the actions those counterparties might take in response to Ally's material financial distress

Finally, the Plans themselves have been developed to satisfy the following requirements:

- Ensure the rapid and orderly resolution of Ally 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 generally

- Ensure that Ally Bank continues to receive all necessary Critical Services during the pendency of its resolution

- Ensure that depositors have access to their insured deposits at Ally Bank within one business day of Ally Bank's failure (two business days if the failure 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

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

- Ensure the continuation and funding of Critical Operations (if any)

2. Section 165 Plan

In the unlikely event that Ally became subject to a resolution, the Section 165 Plan contemplates that Ally's Material Entities other than Ally Bank and MIC would seek protection under Chapter 11 of the Bankruptcy Code. A Chapter 11 filing would make possible the orderly sale and disposition or, if necessary, the wind down of Ally's Automotive Finance Core Business Line. A Chapter 11 filing would also enable Ally to continue its operations, and make possible the continued provision of Critical Services to Ally Bank by AFI and Ally Servicing LLC. Ally anticipates that the Automotive Finance Core Business Line will be sold, subject to Bankruptcy Court approval, under section 363 of the Bankruptcy Code.

The Section 165 Plan assumes that the Director of the Michigan Department of Insurance and Financial Services ("Michigan Insurance Commissioner") would initially impose administrative supervision with respect to MIC, and subsequently ask MIC's Board of Directors to consent to rehabilitation proceedings. The Section 165 Plan assumes that MIC's Board of Directors consents to rehabilitation. Finally, the Plan assumes that, shortly after AFI files for protection under the Bankruptcy Code, the Michigan Insurance Commissioner would commence a proceeding in Michigan state court seeking to impose rehabilitation on MIC, which would result in the entry of an agreed order of rehabilitation by the Michigan state court placing MIC into rehabilitation and directing the Michigan Insurance Commissioner to take immediate possession of MIC's assets and administer them under the court's supervision. Throughout the Resolution Period, the Michigan Insurance Commissioner's goals are to avoid disruption for consumers and to preserve the value of MIC's business where possible. In light of these objectives, Ally anticipates that the Michigan Insurance Commissioner would prepare for and execute a sale process within 180 days of the commencement of the Resolution Period or, if in coordination with the auction of the Automotive Finance Core Business Line, within the first 90 days of the Resolution Period.

3. The IDI Plan

In the unlikely event that Ally Bank became subject to a resolution, the IDI Plan contemplates that Ally Bank would be placed into receivership by the UDFI and the FDIC would be appointed as receiver. Placing Ally Bank into a receivership potentially would allow Ally Bank to continue to provide operational support to the rest of the Ally organization. In a receivership, the FDIC would use its traditional resolution powers under the Federal Deposit Insurance Act, including the creation of a bridge bank, to make possible the orderly sale and disposition or, if necessary, the wind down of Ally Bank's deposits and Direct Banking Core Business Line. Ally anticipates that the FDIC's preferred resolution strategy would be the sale of Ally Bank in a purchase and assumption transaction over the Resolution Weekend.

4. Potential Purchasers

Ally believes that its Core Business Lines are highly attractive businesses. Potential purchasers under both the Section 165 Plan and the IDI Plan include multiple, diverse, and not necessarily overlapping potential purchasers such as U.S. and global financial institutions (including financial institutions affiliated with the motor vehicle manufacturers), private equity funds, and insurance companies.