

Ally Financial Inc.
Form 10-Q
August 04, 2016
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016, or
..TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-3754

ALLY FINANCIAL INC.

(Exact name of registrant as specified in its charter)

Delaware 38-0572512

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

200 Renaissance Center

P.O. Box 200, Detroit, Michigan

48265-2000

(Address of principal executive offices)

(Zip Code)

(866) 710-4623

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for a shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

At August 2, 2016, the number of shares outstanding of the Registrant's common stock was 483,657,867 shares.

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Item 1. Financial Statements

Condensed Consolidated Statement of Comprehensive Income (unaudited)

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	Three months ended June 30,		Six months ended June 30,	
(\$ in millions)	2016	2015	2016	2015
Financing revenue and other interest income				
Interest and fees on finance receivables and loans	\$1,265	\$1,118	\$2,500	\$2,192
Interest on loans held-for-sale	—	14	—	38
Interest and dividends on investment securities	99	93	201	181
Interest on cash and cash equivalents	4	2	7	4
Operating leases	701	860	1,470	1,756
Total financing revenue and other interest income	2,069	2,087	4,178	4,171
Interest expense				
Interest on deposits	203	177	396	349
Interest on short-term borrowings	12	12	25	23
Interest on long-term debt	436	419	878	848
Total interest expense	651	608	1,299	1,220
Depreciation expense on operating lease assets	434	563	944	1,185
Net financing revenue	984	916	1,935	1,766
Other revenue				
Insurance premiums and service revenue earned	236	237	466	470
Gain on mortgage and automotive loans, net	3	1	4	47
Loss on extinguishment of debt	—	(156)	(4)	(354)
Other gain on investments, net	39	45	93	100
Other income, net of losses	96	84	191	191
Total other revenue	374	211	750	454
Total net revenue	1,358	1,127	2,685	2,220
Provision for loan losses	172	140	392	256
Noninterest expense				
Compensation and benefits expense	242	236	494	491
Insurance losses and loss adjustment expenses	145	122	218	178
Other operating expenses	386	366	771	750
Total noninterest expense	773	724	1,483	1,419
Income from continuing operations before income tax expense	413	263	810	545
Income tax expense from continuing operations	56	94	206	197
Net income from continuing operations	357			