Ally Financial Inc.
Form 424B5
February 10, 2011

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-171519

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
4.500% Senior Guaranteed Notes due 2014	$1,000,000,000	$116,100
Guarantee of 4.500% Senior Guaranteed Notes due 2014		(2)
Floating Rate Senior Guaranteed Notes due 2014	$1,250,000,000	$145,125
Guarantee of Floating Rate Senior Guaranteed Notes due 2014		(2)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(2) In accordance with Rule 457(n), no additional registration fee is payable with respect to the guarantees.

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Prospectus Supplement

(To Prospectus dated January 3, 2011)

$2,250,000,000

Ally Financial Inc.

4.500% Senior Guaranteed Notes due 2014

Floating Rate Senior Guaranteed Notes due 2014

Guaranteed by Certain Subsidiaries of Ally Financial Inc.

This is an offering of $1,000,000,000 aggregate principal amount of 4.500% Senior Guaranteed Notes due 2014 (the Fixed Rate Notes) and $1,250,000,000 aggregate principal amount of Floating Rate Senior Guaranteed Notes due 2014 (the Floating Rate Notes and, together with the Fixed Rate Notes, the notes) of Ally Financial Inc. (Ally). The Fixed Rate Notes will bear interest at a rate of 4.500% per year. The Floating Rate Notes will bear interest at a rate, reset quarterly, equal to three-month LIBOR plus 3.200%. Ally will pay interest on the Fixed Rate Notes semi-annually on February 11 and August 11, in cash in arrears, of each year, beginning on August 11, 2011. Ally will pay interest on the Floating Rate Notes quarterly on February 11, May 11, August 11 and November 11 of each year, beginning on May 11, 2011. The notes will mature on February 11, 2014.

The notes will be unsubordinated unsecured obligations of Ally and will rank equally in right of payment with all of Ally s existing and future unsubordinated unsecured indebtedness and senior in right of payment to all existing and future indebtedness that by its terms is expressly subordinated to the notes. The notes will be effectively subordinated to all existing and future secured indebtedness of Ally to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of subsidiaries of Ally that are not note guarantors, to the extent of the value of the assets of those subsidiaries.

The notes will be unconditionally guaranteed by Ally US LLC, IB Finance Holding Company, LLC, GMAC Latin America Holdings LLC, GMAC International Holdings B.V. and GMAC Continental LLC, each a subsidiary of Ally (collectively, the note guarantors), on an unsubordinated basis (the note guarantees). The note guarantees will be unsubordinated unsecured obligations of each note guarantor and will rank equally in right of payment with all of each applicable note guarantor s existing and future unsubordinated unsecured indebtedness, including each note guarantor s guarantee of certain outstanding Ally notes, and senior in right of payment to all existing and future indebtedness of the applicable note guarantor that by its terms is expressly subordinated to the applicable note guarantee. Each note guarantee will be effectively subordinated to any secured indebtedness of such note guarantor to the extent of the value of the assets securing such indebtedness and will be structurally subordinated to all of the existing and future indebtedness and other liabilities (including trade payables) of any non-guarantor subsidiaries of such note guarantor to the extent of the value of the assets of such subsidiaries. See Description of Notes Ranking.

The notes will be issued in denominations of $2,000 and integral multiples of $1,000. The notes will not be listed on any exchange, listing authority or quotation system. Currently, there is no public market for the notes. The notes are not subject to redemption prior to maturity and there is no sinking fund for the notes.

Investing in the notes involves risks. See Risk Factors beginning on page S-15 and incorporated by reference herein to read about the risks you should consider before buying the notes.

	Per Fixed Rate Note	Total	Per Floating Rate Note	Total
Price to Public(1)	100.000%	$ 1,000,000,000	100.000%	$ 1,250,000,000
Underwriting discount	0.875%	$ 8,750,000	0.875%	$ 10,937,500
Proceeds, before expenses, to Ally	99.125%	$ 991,250,000	99.125%	$ 1,239,062,500

(1) Plus accrued interest, if any, from February 11, 2011

The notes are not savings or deposit accounts of Ally or any of its subsidiaries, and are not insured by the Federal Deposit Insurance Corporation (the FDIC) or any other government agency or insurer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through The Depository Trust Company (DTC) and its participants, including Euroclear Bank, S.A./N.V. and Clearstream Banking, société anonyme, on or about February 11, 2011.

Joint Book-Running Managers

Barclays Capital	**Citi**	**Goldman, Sachs & Co.**	**RBS**

Co-Managers

BNP PARIBAS	**Deutsche Bank Securities**	**RBC Capital Markets**	**Scotia Capital**
Aladdin Capital LLC	**Blaylock Robert Van, LLC**	**CastleOak Securities, L.P.**	**Ramirez & Co., Inc.**

February 8, 2011

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Prospectus Supplement

Prospectus

We provide information to you about this offering in two separate documents. The accompanying prospectus provides general information about us and the securities we may offer from time to time. This prospectus supplement describes the specific details regarding this offering. Additional information is incorporated by reference in this prospectus supplement. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement.

Neither we nor the underwriters have authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these notes in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any such free writing prospectus is accurate as of any date other than their respective dates.

The distribution of this prospectus supplement, the accompanying prospectus or any free writing prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement, the accompanying prospectus or any free writing prospectus comes should inform themselves about and observe such restrictions. This prospectus supplement, the accompanying prospectus or any free writing prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

References in this prospectus supplement to the Company, we, us, and our refer to Ally Financial Inc. and its direct and indire subsidiaries (including Residential Capital, LLC, or ResCap) on a consolidated basis, unless the context otherwise requires, and the term Ally refers only to Ally Financial Inc.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference documents containing various forward-looking statements within the meaning of applicable federal securities laws, including the Private Securities Litigation Reform Act of 1995, that are based upon our current expectations and assumptions concerning future events that are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated.

The words expect, anticipate, estimate, forecast, initiative, objective, plan, goal, project, outlook, priorities, target, int may, would, could, should, believe, potential, continue, or the negative of any of these words or similar expressions is intended forward-looking statements. All statements contained in or incorporated by reference into this prospectus supplement, other than statements of historical fact, including without limitation statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as updated by our subsequent Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. See Incorporation by Reference; Where You Can Find More Information . Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Factors that could cause our actual results to be materially different from our expectations include, among others, the risk factors set forth herein (see Risk Factors), and the following:

Our inability to repay our outstanding obligations to the U.S. Department of the Treasury (the Treasury), or to do so in a timely fashion and without disruption to our business;

Uncertainty of our ability to enter into transactions or execute strategic alternatives to realize the value of our Residential Capital, LLC (ResCap) operations;

Securing low cost funding for the Company and ResCap and maintaining the mutually beneficial relationship between the Company and GM, and the Company and Chrysler;

Our ability to maintain an appropriate level of debt and capital;

The profitability and financial condition of GM and Chrysler;

Our ability to realize the anticipated benefits associated with our conversion to a bank holding company, and the increased regulation and restrictions that we are now subject to;

Continued challenges in the residential mortgage and capital markets;

The potential for deterioration in the residual value of off-lease vehicles;

The continuing negative impact on ResCap and our mortgage business generally due to the decline in the U.S. housing market;

Any impact resulting from delayed foreclosure sales or related matters;

The potential for legal liability resulting from claims related to the sale of private-label mortgage-backed securities;

Risks related to potential repurchase obligations due to alleged breaches of representations and warranties in mortgage securitization transactions;

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- Changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which our mortgage subsidiaries operate;
- Disruptions in the market in which we fund the Company s and ResCap s operations, with resulting negative impact on our liquidity;
- Changes in our accounting assumptions that may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings;
- Changes in the credit ratings of ResCap, Ally, Chrysler, or GM;
- Changes in economic conditions, currency exchange rates or political stability in the markets in which we operate;
- Changes in the existing or the adoption of new laws, regulations, policies or other activities of governments, agencies and similar organizations (including as a result of the recently enacted Dodd-Frank financial regulatory reform bill); and
- The success, or lack thereof, of this offering of notes.

Accordingly, you should not place undue reliance on the forward-looking statements contained or incorporated by reference in this prospectus supplement. These forward-looking statements speak only as of the date of this prospectus supplement. We undertake 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.

INDUSTRY AND MARKET DATA

In this prospectus supplement and in the documents incorporated by reference herein, we rely on and refer to information and statistics regarding our industry. We obtained this market data from independent industry publications or other publicly available information. Although we believe that these sources are reliable, we and the underwriters have not independently verified and do not guarantee the accuracy and completeness of this information.

SUMMARY

This summary highlights some of the information contained, or incorporated by reference, in this prospectus supplement to help you understand our business and the notes. It does not contain all of the information that is important to you. You should carefully read this prospectus supplement in its entirety, including the information incorporated by reference into this prospectus supplement, to understand fully the terms of the notes, as well as the other considerations that are important to you in making your investment decision. You should pay special attention to the Risk Factors beginning on page S-15 and the section entitled Cautionary Statement Regarding Forward-Looking Statements beginning on page S-ii.

Unless stated otherwise, the discussion in this prospectus supplement of our business includes the business of Ally Financial Inc. and its direct and indirect subsidiaries (including ResCap). Unless otherwise indicated or the context otherwise requires, the Company, we, us and our refer to Ally Financial Inc. and its direct and indirect subsidiaries (including ResCap) on a consolidated basis and the term Ally refers only to Ally Financial Inc.

Our Company

Ally is one of the world s largest automotive financial services companies with approximately $173.2 billion of assets at September 30, 2010. Founded in 1919 as a wholly owned subsidiary of General Motors Corporation (currently General Motors Company or GM), Ally is the official preferred source of financing for GM, Chrysler, Saab, Suzuki, Fiat, and Thor Industries vehicles and offers a full suite of automotive financing products and services in key markets around the world. Our other business units include mortgage operations and commercial finance, and our subsidiary, Ally Bank, which offers online retail banking products. Ally also operates as a bank holding company. On December 24, 2008, we became a bank holding company under the Bank Holding Company Act of 1956, as amended. Our principal executive offices are located at 200 Renaissance Center, Detroit, Michigan 48265, and our telephone number is (866) 710-4623.

Our Business

Global Automotive Services and Mortgage are our primary lines of business.

Global Automotive Services

Our Global Automotive Services offer a wide range of financial services and products to retail automotive consumers, automotive dealerships, and other commercial businesses. Our Global Automotive Services consist of three separate reportable segments North American Automotive Finance operations, International Automotive Finance operations, and Insurance operations. Our North American Automotive Finance operations include the automotive activities of Ally Bank and our subsidiary ResMor Trust. The products and services offered by our automotive finance services include the purchase of retail installment sales contracts and leases, offering of term loans to dealers, financing of dealer floorplans and other lines of credit to dealers, fleet leasing, and vehicle remarketing services. In addition, our automotive finance services utilize bank deposit funding at Ally Bank, asset securitizations, whole-loan sales through our forward flow agreements, and debt issuances, to the extent available, as components of our diversified funding strategy.

We also offer vehicle service contracts and selected commercial insurance coverages in the United States and internationally. We are a leading provider of vehicle service contracts with mechanical breakdown and maintenance coverages. Our vehicle service contracts offer vehicle owners and lessees mechanical repair protection and roadside assistance for new and used vehicles beyond the manufacturer s new vehicle warranty. Additionally, we provide commercial insurance primarily covering dealers wholesale vehicle inventory.

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We have significantly streamlined our international presence to focus on strategic operations. Our International Automotive Finance operations will focus the majority of originations in five core international markets: Germany, the United Kingdom, Brazil, Mexico, and China through our joint venture.

On September 30, 2010, we announced that we were selected to be the preferred financing provider for Fiat vehicles in the United States. We will offer retail financing, leasing, wholesale financing, working capital and facility loans, and remarketing services to the new Fiat dealer network. In October 2010, Chrysler began announcing dealers that secured a Fiat franchise in the United States.

On August 6, 2010, we entered into an agreement (the Agreement) with Chrysler to provide automotive financing products and services to Chrysler dealers and customers. The Agreement replaced and superseded the legally binding term sheet that we entered into with Chrysler on April 30, 2009, which contemplated this definitive agreement. We are Chrysler s preferred provider of new wholesale financing for dealer inventory in the United States, Canada, Mexico, and other international markets upon the mutual agreement of the parties. We provide dealer financing and services and retail financing to Chrysler dealers and customers as we deem appropriate according to our credit policies and in our sole discretion. Chrysler is obligated to provide us with certain exclusivity privileges including the use of Ally for designated minimum threshold percentages of certain of Chrysler s retail financing subvention programs. The Agreement extends through April 30, 2013, with automatic one-year renewals unless either we or Chrysler provides sufficient notice of nonrenewal.

On July 13, 2010, we announced our intention to rebrand the GMAC consumer and dealer-related automotive finance operations in the United States, Canada, and Mexico and begin using the Ally name during the month of August 2010. The Ally brand will be used for automotive financing activities to support the following manufacturers: GM, Chrysler, Saab, Thor Industries, and Fiat United States and Mexico. Our automotive finance operations outside of these three countries will continue to operate under the GMAC brand as options for further use of the Ally brand are evaluated.

On April 5, 2010, we announced that we expanded our automotive finance operations to include recreation vehicles and were selected by Thor Industries as the preferred financial provider for their retail customers. During June 2010, we began accepting retail finance applications for new and used recreation vehicles from Thor dealers in certain high volume states. We expect to expand retail financing nationwide to all qualified dealers in Thor s U.S. network by the end of 2010.

On March 15, 2010, we announced that Spyker Cars N.V., which recently purchased Saab Automobile from GM, selected Ally as the preferred source of wholesale and retail financing for qualified Saab dealers and customers in North America and internationally.

Mortgage

Our Mortgage operations engage in the origination, purchase, servicing, sale, and securitization of consumer (i.e., residential) mortgage loans and mortgage-related products. Mortgage operations include the Residential Capital, LLC legal entity, the mortgage operations of Ally Bank, and the Canadian mortgage operations of ResMor Trust. In response to market conditions, our Mortgage operations substantially eliminated production of loans that do not conform to the underwriting guidelines of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Government National Mortgage Association (Ginnie Mae) in the United States.

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The Note Guarantors

The notes will be guaranteed on a joint and several basis by the following subsidiaries of Ally: Ally US LLC (formerly known as GMAC US LLC), IB Finance Holding Company, LLC, GMAC Latin America Holdings LLC, GMAC International Holdings B.V. and GMAC Continental LLC. Debt of the note guarantors or of subsidiaries of the note guarantors that is owed to Ally or other subsidiaries of Ally will rank junior to the note guarantees or will be held by a note guarantor.

Each note guarantor is a first-tier wholly owned subsidiary of Ally. A simplified structure chart of Ally and each of the note guarantors is set forth below:

Ally US LLC (formerly known as GMAC US LLC). Ally US LLC (US LLC), a Delaware limited liability company, was incorporated on May 30, 2007 and is a wholly owned subsidiary of Ally. US LLC currently holds certain assets and intellectual property associated with our U.S. Automotive Finance business. In addition, all of our employees associated with the U.S. Automotive Finance business and our corporate functions are employed by US LLC. As of September 30, 2010, US LLC and its subsidiaries had no material assets or liabilities. The registered office of US LLC is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120.

IB Finance Holding Company, LLC. IB Finance Holding Company, LLC (IB Finance), a Delaware limited liability company, was incorporated on October 10, 2006 and is wholly owned by Ally. The registered office of IB Finance is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. IB Finance is a holding company that conducts no business other than holding all of the equity interests in Ally Bank. Ally Bank is a Utah chartered commercial non-member bank that provides banking products to consumers online at www.ally.com (such website is not incorporated by reference herein). Ally Bank s deposit products include certificates of deposit savings accounts, online savings accounts, checking accounts and money market accounts. The mortgage division of Ally Bank purchases first-lien residential mortgage loans, and offers mortgage warehouse financing to select qualifying mortgage bankers. The automotive division of Ally Bank offers automotive financing primarily to select qualifying automotive dealerships and to customers of those dealerships in the United States. Ally Bank s consumer business is targeted at the general public, as well as members of the GM Family, defined as employees, retirees, customers and shareholders of GM, Ally and its subsidiaries, and the owners, operators, and employees of the GM dealer, supplier, and wholesaler networks and the immediate family members of employees and retirees. As a result of the agreement with Chrysler, Ally Bank will continue to expand its commercial wholesale and consumer retail portfolios, with the majority of the Chrysler business being originated in Ally Bank. Neither Ally Bank nor any other subsidiary of IB Finance is directly guaranteeing the notes.

GMAC Latin America Holdings LLC. GMAC Latin America Holdings LLC (Latin America LLC), a Delaware limited liability company, was incorporated on August 18, 2006 and is a wholly owned direct subsidiary of Ally. The registered office of Latin America LLC is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. Latin America LLC is a holding company that conducts no business other than holding 99.9% of the equity interests in Ally Credit, S.A. de C.V., Sociedad Financiera de Objeto Limitado Filial (Ally Credit), and certain other non-material subsidiaries. As of

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September 30, 2010, Latin America LLC and its Mexican subsidiaries, excluding Ally Credit, had no material assets or liabilities. Ally Credit is a regulated Mexican entity and services all of the tangible assets associated with Ally s Mexican retail and wholesale Automotive Finance business. The majority of the loans made by Ally Credit (including approximately 84.2% of its retail originations and approximately 74.7% of its wholesale originations) have been sold or securitized, in accordance with Ally Credit s funding strategy. All of Ally Credit s employees associated with the Mexican retail and wholesale Automotive Finance business are employed through a service contract with Servicios GMAC S.A. de C.V. (Servicios), a payroll company that employs substantially all of Ally Credit s employees and is 99.9% owned by Latin America LLC. Neither Ally Credit nor Servicios is directly guaranteeing the notes.

GMAC International Holdings B.V. GMAC International Holdings B.V. (GMAC International Holdings), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) was incorporated under the laws of The Netherlands on November 7, 2006, with its seat at The Hague, The Netherlands and is a wholly owned direct subsidiary of Ally. The registered office of GMAC International Holdings is Hogeweg 16, 2585 JD s- Gravenhage, The Netherlands. As of September 30, 2010, we conduct our retail and wholesale Automotive Finance business primarily in the following countries through GMAC International Holdings: Canada, Italy and France. GMAC International Holdings holds 100% of the equity interests in GMAC Pan European Auto Receivable Lending (PEARL) B.V. (Pearl). Pearl conducts no business other than investing in the subordinated tranches of certain securitization facilities. GMAC International Holdings also holds 100% of the equity interests in GMAC International Finance B.V. (GMACIF), a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), through which we conduct our international funding operations. GMACIF also provides intercompany lending to our international subsidiaries. As we continue to sell assets or cease asset originations in certain countries, we expect that consolidated assets at GMAC International Holdings will be reduced over time.

GMAC Continental LLC. GMAC Continental LLC (Continental LLC), a Delaware limited liability company, was incorporated on November 3, 1930 and is a wholly owned direct subsidiary of Ally. The registered office of Continental LLC is at Corporation Trust Center, 1209 N. Orange Street, New Castle County, Wilmington, Delaware 19801-1120. Continental LLC is a Delaware limited liability company that has active Automotive Finance foreign branch operations in Belgium. As of September 30, 2010, Continental LLC also holds approximately 49.5% of the outstanding equity interests in MasterLease Limited, and certain other non-material subsidiaries, through which we operate certain of our European fleet management and full-service leasing businesses. Certain of MasterLease Limited s business units were classified as discontinued operations under U.S. GAAP during the fourth quarter of 2009 and/or are subject to pending divestment. Continental LLC s subsidiaries are not directly guaranteeing the notes.

RECENT DEVELOPMENTS

For the purposes of this recent developments section, certain amounts for 2009 have been reclassified to conform to the presentation of the 2010 amounts presented. We have classified certain operations as discontinued using generally accepted accounting principles in the United States. This reclassification was made because the associated operations and cash flows will be eliminated from our ongoing operations and we will no longer have any significant continuing involvement in their operations following the respective sale transactions. For the amounts presented in this recent developments section, all of the operating results for these operations were removed from continuing operations and are presented separately as discontinued operations, net of tax. Additionally, the presentation and profit measures of our reportable operating segments reflects two changes. We present our Mortgage Origination and Servicing operations and Legacy Portfolio and Other operations reportable operating segments under the new collective business description, Mortgage. Previously our Mortgage Origination and Servicing operations and Legacy Portfolio and Other operations were combined in one reportable operating segment, Mortgage operations. The new presentation is consistent with the organizational

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alignment of the business and management s current view of the mortgage business. Finally, we reflect modifications to the funds-transfer-pricing allocations applicable to our North American Automotive Finance operations commercial loan portfolio.

On February 1, 2011, Ally reported net income of $79 million for the fourth quarter of 2010, compared to a net loss of $5.0 billion for the fourth quarter of 2009. Core pre-tax income, which reflects income from continuing operations before taxes and original issue discount (OID) amortization expense from bond exchanges, totaled $533 million in the fourth quarter of 2010, compared to a core pre-tax loss of $3.5 billion in the comparable prior year period.

For the full-year 2010, Ally reported net income of $1.1 billion, compared to a net loss of $10.3 billion in 2009. Core pre-tax income in 2010 totaled $2.5 billion, compared to a core pre-tax loss of $5.8 billion in the prior year.

The losses reported for the 2009 fourth quarter and full year were largely affected by losses related to legacy assets in the mortgage operations.

Ally s consolidated cash and cash equivalents were $11.7 billion as of December 31, 2010, compared to $12.6 billion at September 30, 2010. Included in the consolidated cash and cash equivalents balance are: $672 million at ResCap, $3.1 billion at Ally Bank and $1.2 billion at the insurance businesses. The decrease in cash and cash equivalents during the quarter was the result of growth in the Company s loan and investment securities portfolios.

Ally s total equity at December 31, 2010, was $20.5 billion, compared to $21.0 billion at September 30, 2010. The company s preliminary fourth quarter 2010 tier 1 capital ratio was 15.0%, compared to 15.4% in the prior quarter. The decrease was due to quarterly results, net of dividends, and a slight increase in risk-weighted assets.

During 2010, Ally completed nearly $36 billion of new funding transactions. During the year, the company issued more than $8 billion of unsecured debt, raised more than $9 billion in the domestic asset-backed securities (ABS) market, completed $6 billion of international ABS transactions and entered into new revolving facilities with more than $12 billion of capacity.

U.S. Treasury MCP Securities Converted to Common Equity

On December 30, 2010, Ally and the Treasury agreed to convert $5.5 billion of the $11.4 billion of MCP securities issued by Ally and owned by the Treasury into common equity. This action represents a critical step toward full repayment of the Treasury s investments, as it conforms the company s capital structure to one more typical of a bank holding company. It also removes GM s status as an affiliate of Ally Bank for the purposes of Sections 23A and 23B of the Federal Reserve Act, which, among other things, impose limitations on transactions between banks and their affiliates. Transactions between Ally Bank and GM will continue to be subject to regulation and examination by the bank s primary federal regulator, the Federal Deposit Insurance Corporation. The conversion reduces dividends by $500 million per year, assists with capital preservation and is expected to improve profitability with a lower cost of funds.

Ally Bank

For purposes of quarterly financial reporting, Ally Bank s operating results are divided between the North American Automotive Finance and Mortgage Operations segments based on its underlying business activities. During the fourth quarter of 2010, Ally Bank reported pre-tax income from continuing operations of $317 million, compared to a pre-tax loss from continuing operations of $1.5 billion in the corresponding prior

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year period. Performance in the quarter was driven by continued strong automotive originations and improved cost of funds. The loss in the corresponding prior year period was due to a loss on the sale of mortgage assets to the parent company of $1.3 billion. Total assets at Ally Bank were $70.3 billion at December 31, 2010, compared to $66.2 billion at September 30, 2010. The growth in assets was due to the increase in automotive asset levels resulting from strong retail originations and increased wholesale funding.

Global Automotive Services

Global Automotive Services consists of Ally s auto-centric businesses, including: North American Automotive Finance, International Automotive Finance and Insurance. Global Automotive Services reported fourth quarter 2010 pre-tax income from continuing operations of $765 million, compared to $283 million in the comparable prior year period.

North American Automotive Finance, which includes results for the U.S. and Canada, reported pre-tax income from continuing operations of $589 million in the fourth quarter of 2010, compared to $343 million in the comparable prior year period. Results were driven by a significantly lower loan loss provision due to improved credit quality, continued growth in originations and stable wholesale penetration. Origination levels have been supported by automakers incentive programs, the expanded features and benefits of the Ally Dealer Rewards program and access to a broader dealer network via DealerTrack.

International Automotive Finance reported pre-tax income from continuing operations of $12 million in the fourth quarter of 2010, compared to a pre-tax loss of $145 million in the same period last year. This improvement was driven by favorable loss performance and lower restructuring charges on wind-down operations. The quarter was negatively impacted by $12 million of certain tax and legal provisions. The company s international auto finance footprint currently consists of 15 countries, including the company s five core international markets: Germany, U.K., Brazil, Mexico and its joint venture in China.

Insurance, which focuses primarily on dealer-centric products, such as extended service contracts and dealer inventory insurance, reported pre-tax income from continuing operations of $164 million in the fourth quarter of 2010, compared to $85 million in the prior year period. Results were driven by realized gains related to the investment portfolio and lower acquisition and underwriting expenses.

Automotive originations and penetration

Total consumer financing originations increased 56% during the fourth quarter of 2010 to $12.7 billion, compared to $8.2 billion in the prior year period. Fourth quarter 2010 consumer auto originations were comprised of $9.9 billion of new originations, $1.4 billion of used originations and approximately $1.4 billion of new leases, while fourth quarter 2009 consumer auto originations included $6.8 billion of new originations, approximately $1.0 billion of used originations and approximately $300 million of new leases. Growth in consumer financing originations was driven by higher industry sales and an increase in GM consumer penetration driven by year-end marketing programs. The increase in used originations during the quarter reflects the company s view that this market continues to be a growth opportunity. Leasing increased 11.0% of total originations in the fourth quarter from 4.1% in the corresponding period last year, as Ally continues to grow this business under prudent underwriting principles.

North American consumer financing originations in the fourth quarter of 2010 were $10.2 billion, which included $9.3 billion in the U.S. Fourth quarter 2009 consumer financing originations in North America were $6.6 billion, which included approximately $5.9 billion in the U.S.

International consumer originations from continuing operations, which include a non-consolidated joint venture in China, were $2.5 billion during the fourth quarter of 2010, compared to $1.6 billion in the fourth

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quarter of 2009. International consumer originations continued to be driven by the company s five key markets with strong growth in China, Brazil and Mexico during the quarter. Consumer originations increased 100% in Brazil, 97% in China and 54% in Mexico compared to the fourth quarter of 2009.

Ally s U.S. wholesale penetration for GM dealer stock was 82.1% in the fourth quarter of 2010, compared to 83.7% in the prior quarter and 87.0% in the fourth quarter of 2009. U.S. consumer penetration for GM was 49.7% during the fourth quarter of 2010, compared to 34.2% in the prior quarter and 30.3% in the fourth quarter of 2009. Ally continues to diversify its business as GM incentivized business accounted for 22% of Ally s overall consumer originations in 2010, compared to 45% for full year 2009.

Ally s average U.S. wholesale penetration for Chrysler dealer stock was 76.0% in the fourth quarter of 2010, compared to 76.2% in the third quarter of 2010 and 74.8% in the corresponding period last year. Ally s U.S. consumer penetration for Chrysler during the fourth quarter of 2010 was 36.3%, compared to 49.4% in the prior quarter and 25.5% in the fourth quarter of 2009. The sequential quarterly decline was due to a change in the mix of sales incentives with Chrysler.

Mortgage Operations

Ally s Mortgage Operations, which includes ResCap and the mortgage activities of Ally Bank and ResMor Trust, reported pre-tax income from continuing operations of $123 million during the fourth quarter of 2010, versus a pre-tax loss from continuing operations of $3.4 billion in the comparable prior year period.

The company s Mortgage Operations business is now reported as two distinct segments: Origination and Servicing and Legacy Portfolio and Other. The principal activities of the Origination and Servicing segment include originating, purchasing, selling, and securitizing conforming and government-insured residential mortgage loans in the U.S. and Canada; servicing residential mortgage loans for Ally and others; and providing collateralized lines of credit to other mortgage originators, which the Company refers to as warehouse lending. In addition, the segment also originates high-quality prime jumbo mortgage loans in the U.S. The Company utilizes three primary channels for originating mortgages: wholesale lending, traditional retail lending and community financial institutions. The Legacy Portfolio and Other segment primarily consists of loans originated prior to January 1, 2009, and includes non-core business activities including portfolios in run off.

The *Origination and Servicing* segment reported fourth quarter 2010 pre-tax income from continuing operations of $172 million, compared to a pre-tax loss from continuing operations of $180 million during the fourth quarter 2009. Results were driven by strong originations from refinancings, continued strong margins, higher net servicing revenue, lower provision for loan losses and lower non-interest expense.

Total mortgage loan production in the fourth quarter of 2010 was $23.8 billion, compared to $20.5 billion in the third quarter of 2010 and $18.1 billion in the fourth quarter of 2009. The vast majority of fourth quarter 2010 production was driven by the origination of prime conforming loans. Production increased compared to the prior quarter, as the refinance market remained strong during the quarter. Approximately 84% of the company s global mortgage loan production during the quarter was due to refinancings.

The *Legacy Portfolio and Other* segment of Mortgage Operations reported a pre-tax loss from continuing operations of $49 million, compared to a $3.2 billion pre-tax loss from continuing operations in the corresponding prior year period. The results in the quarter were primarily driven by an improved gain on the sale of loans, significantly lower loan loss provision and lower representation and warranty expense compared to the fourth quarter of 2009.

Fannie Mae Settlement

ResCap and certain of its subsidiaries reached an agreement with Fannie Mae to resolve potential repurchase exposure for breaches of selling representations and warranties. The agreement covers loans serviced by GMAC Mortgage on behalf of Fannie Mae prior to June 30, 2010, and all mortgage-backed securities that Fannie Mae purchased at various times prior to the settlement, including private label securities. The settlement was for approximately $462 million. The settlement includes a release of ResCap and its subsidiaries from potential liability related to covered mortgages with respect to mortgage repurchase obligations. Covered mortgages include all mortgages serviced by GMAC Mortgage on behalf of Fannie Mae as of, or prior to, June 30, 2010, subject to certain exclusions. GMAC Mortgage continues to be responsible for other contractual obligations it has with Fannie Mae with respect to such covered mortgages, including, for example, all indemnification obligations that may arise in connection with the servicing of mortgages.

Corporate and Other

Including OID, Corporate and Other reported a pre-tax loss from continuing operations of $656 million in the fourth quarter of 2010, compared to a pre-tax loss from continuing operations of $735 million in the comparable prior year period. The improved results in the fourth quarter of 2010 were primarily due to a lower loss provision expense in the Commercial Finance Group s European operations and resort finance portfolio, which was sold in the third quarter of 2010. The performance of Corporate and Other during the fourth quarter of 2010 was also driven by the net impacts of the corporate funds transfer pricing methodology and asset liability management activities and $301 million of OID amortization expense. The net impact of the funds transfer pricing methodology represents the unallocated cost of maintaining the liquidity and investment portfolios and other unassigned funding costs and unassigned equity.

Ally Financial Preliminary Unaudited Fourth Quarter 2010 Financial Highlights

Summary Statement of Income	4Q 2010	4Q 2009	FY 2010	FY 2009
		($ in millions)		
Financing revenue and other interest income				
Finance receivables and loans				
Consumer	$1,109	$1,022	$4,505	$4,484
Commercial	502	440	1,862	1,699
Notes receivable from General Motors	53	68	188	212
Total finance receivables and loans	1,664	1,530	6,555	6,395
Loans held-for-sale	140	165	664	447
Interest on trading securities	3	13	15	132
Interest and dividends on available-for-sale investment securities	87	70	362	226
Interest bearing cash	16	12	70	99
Other interest income, net	1	29	1	86
Operating leases	751	1,224	3,780	5,715
Total financing revenue and other interest income	2,662	3,043	11,447	13,100
Interest expense				