PUBLIC DISCLOSURE

February 21, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Ally Bank
RSSD # 3284070

6985 Union Park Center, Suite 435
Midvale, Utah 84047

Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S RATING

Ally Bank's Overall CRA Rating: Outstanding

A CRA Rating of "Outstanding" is assigned. The institution's performance reflects an outstanding record of helping to meet the credit needs of the assessment area, including low- and moderate-income areas, as outlined by its 2014-2016 Strategic Plan ("the Plan"). The following conclusions support this rating:

Lending Goals

- Small loans to businesses in low- or moderate-income (LMI) census tracts exceeded the institution's established goals for "Outstanding" performance;
- Consumer automotive financing transactions to LMI borrowers exceeded the institution's established goals for "Satisfactory" performance and substantially achieved the institution's established goals for "Outstanding" performance;
- Consumer automotive financing transactions made to borrowers residing in LMI census tracts exceeded the institution's minimum established goals for "Satisfactory" performance and substantially achieved the institution's established goals for "Outstanding" performance;

Community Development Goals

- Community Development ("CD") lending exceeded the institution's established goals for "Outstanding" performance;
- CD investments exceeded the institution's established goals for "Outstanding" performance; and
- CD service hours exceeded the institution's established goals for "Outstanding" performance.

SCOPE OF EXAMINATION

Ally Bank's CRA performance was evaluated under the Interagency Strategic Plan CRA Examination Procedures. The evaluation assesses the bank's performance in meeting the credits needs of its communities, including the bank's responsiveness to and effectiveness in meeting the credit and community development needs of its assessment area, and the performance criteria, including achievement of measurable goals established in the bank's approved 2014-2016 CRA Strategic Plan. The bank's performance was evaluated taking into consideration information about the institution including its business model, assessment area demographics and economic indicators, and information obtained from community contacts. Performance rating criteria and thresholds are established in the approved Plan, and ratings are evaluated for actual performance in relation to these established goals.

ALLY BANK

DESCRIPTION OF INSTITUTION

Ally Bank is a wholly-owned subsidiary bank of Ally Financial, Inc. (AFI), an independent, nationwide automotive financial services firm. As of December 31, 2016, AFI held $157.4 billion in combined assets with Ally Bank comprising $123.5 billion in assets. AFI is headquartered in Detroit, Michigan, and Ally Bank is headquartered in Midvale, Utah. Ally Bank maintains no branch offices or deposit-taking automated teller machines (ATMs); it provides all of AFI's direct banking business online.

Ally Bank does not maintain any traditional banking offices that are open for the public to conduct transactions; however, as a leading online bank, Ally Bank offers retail banking deposit products and services nationwide. Deposit products include checking accounts, savings accounts, money market deposit accounts, and certificates of deposit. Ally Bank, together with AFI, is the nation's leading provider of automotive financing and leasing products, including automotive vehicle purchase and lease financing to consumers, dealership financing, and commercial financing. In 2016, Ally Bank launched a number of new product lines, including a co-branded credit card, digital brokerage and wealth management, and limited direct-to-consumer mortgage lending.

As presented in the following table, the bank held $92.9 billion in loans as of December 31, 2016. Consistent with AFI's core line of business, Ally Bank's loan portfolio is primarily represented by commercial and industrial loans (dealer floorplan) and automobile loans.

Comparative Loan Mix				
	$ Volume (000) 12/31/16	% of Portfolio 12/31/16	$ Volume (000) 12/31/15	% of Portfolio 12/31/15
Real Estate				
1-4 Family Res Construction Lns (03/2008)	6,873	0.0	0	0.0
Other Const Lns & Land Dev & Other (03/2008)	289,448	10.3	213,211	0.3
1-4 Family-Revolving	1,314,207	1.4	1,536,673	1.9
1-4 Family Res Secured by First Liens	9,480,531	10.2	7,910,824	9.6
1-4 Family Res Secured by Junior Liens	248,547	0.3	325,334	0.4
Lns Secured Owner Occupd NonFrm NonRes (03/2008)	3,223,743	3.5	3,023,263	3.7
Lns Secured by Other NonFrm NonRes (03/2008)	53,439	0.1	39,449	0.0
Total Real Estate Loans	**14,616,788**	**15.7**	**13,048,754**	**15.9**
Commercial & Industrial	43,083,540	46.4	38,169,457	46.4
Automobile Loans	34,892,818	37.6	30,843,213	37.5
All Other Loans including to non-depository institutions	218,193	0.2	112,555	0.1
Lease Financing	83,024	0.1	17,981	0.0
Total Loans & Leases	**92,894,363**	**100.0**	**82,191,960**	**100.0**

Note: Percentages may not add to 100.0 percent due to rounding.

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

Ally Bank's 2014-2016 assessment area consists of five contiguous counties in the Salt Lake City-Provo-Orem CSA #482 including or bordering the Midvale, Utah headquarters location. Specific counties include Salt Lake County and Tooele County in the Salt Lake City MSA #41620, Davis County and Weber County in the Ogden-Clearfield MSA #36260, and Utah County in the Provo-Orem MSA #29340. The assessment area changed since the previous performance evaluation when Morgan County was included in the assessment area.

The assessment area contains 455 census tracts, of which 24 are low-income, 85 are moderate-income, 218 are middle-income, 124 are upper-income, and four for which income is unknown. Additional demographic information as of 2016 for the assessment area is presented below.

2016 Assessment Area Portions of the Salt Lake City-Provo-Orem CSA #482								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	24	5.3	16,446	3.4	4,668	28.4	86,209	17.6
Moderate-income	85	18.7	84,033	17.1	12,039	14.3	93,179	19.0
Middle-income	218	47.9	252,552	51.5	14,830	5.9	116,113	23.7
Upper-income	124	27.3	137,689	28.1	4,479	3.3	195,219	39.8
Unknown-income	4	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	**455**	**100.0**	**490,720**	**100.0**	**36,016**	**7.3**	**490,720**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	33,747	6,872	1.5	20.4	23,863	70.7	3,012	8.9
Moderate-income	142,150	63,254	13.6	44.5	66,836	47.0	12,060	8.5
Middle-income	347,774	251,354	54.1	72.3	80,570	23.2	15,850	4.6
Upper-income	174,104	143,063	30.8	82.2	20,864	12.0	10,177	5.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**697,775**	**464,543**	**100.0**	**66.6**	**192,133**	**27.5**	**41,099**	**5.9**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	3,653	4.0	2,926	3.5	666	8.2	61	5.2
Moderate-income	16,264	17.7	13,731	16.6	2,349	28.9	184	15.7
Middle-income	41,884	45.6	37,820	45.8	3,646	44.9	418	35.8
Upper-income	29,887	32.5	27,997	33.9	1,390	17.1	500	42.8
Unknown-income	192	0.2	108	0.1	78	1.0	6	0.5
Total Assessment Area	**91,880**	**100.0**	**82,582**	**100.0**	**8,129**	**100.0**	**1,169**	**100.0**
	Percentage of Total Businesses:			**89.9**		**8.8**		**1.3**

Source: 2015 FFIEC Census Data and 2015 D&B Information

Population Characteristics

Census data indicates that, between 2000 and 2010, the population of the state as a whole increased by nearly one quarter, with sizable increases in assessment area counties Tooele and Utah. Growth in Utah County is particularly notable given its volume; a total of 148,028 residents between 2000 and 2010. The combined assessment area represents 77.5 percent of the total state population, indicating that this assessment area is the major population center of the state and is chiefly responsible for the state's increase in population. Growth in the state of Utah outpaces that in the U.S., with the state growing by 23.8 percent compared to U.S. growth at 9.7 percent.

Population Change			
Area	**2000 Population**	**2010 Population**	**Percentage Change**
Salt Lake County, UT	898,387	1,029,655	14.6
Tooele County, UT	40,735	58,218	42.9
Davis County, UT	238,994	306,479	28.2
Weber County, UT	196,533	231,236	17.7
Utah County, UT	368,536	516,564	40.2
State of Utah	2,233,169	2,763,885	23.8
United States	281,421,906	308,745,538	9.7
Source: 2000—U.S. Census Bureau: Decennial Census 2010—U.S. Census Bureau: Decennial Census			

Economic Characteristics

Population growth in the assessment area is driven largely by a strong economy that attracts and retains highly skilled workers, particularly in the financial services and information technology sectors. Clustering, expanding startups, and highly engaged universities acting as feeders contribute to a robust metropolitan economy. Unemployment data for the assessment area MSAs evidences that the unemployment rate in each has steadily decreased between 2014 and 2016 and is at a rate that is far below the national average. MSA data for 2014-2016 follows:

Unemployment Rates 2014-2016			
Region	2014	2015	2016
Ogden-Clearfield, UT MSA	3.9	3.7	3.4
Provo-Orem, UT MSA	3.5	3.3	3.1
Salt Lake City, UT MSA	3.7	3.4	3.2
United States	6.2	5.3	4.9
Bureau of Labor Statistics: Local Area Unemployment Statistics			

In addition to low unemployment, the overall quality of employment in the assessment area is strong. Location quotients (LQ), which are ratios based on data from the U.S. Bureau of Labor Statistics (BLS) that allow an area's distribution of employment by industry to be compared to the

U.S.'s distribution, were reviewed to determine industry mix and dependence. A ratio of 1.0 reflects a match, with a lower ratio indicating less dependence upon a particular industry and a higher ratio an increased dependence. Based on BLS data for employment using the North American Industry Classification System (NAICS), the Salt Lake City metropolitan area's LQ for the non-depository credit intermediation industry (financial services firms) was 4.2. This means that non-retail financial institutions represent a share of the regional employment that is more than four times that of the U.S. as a whole. As a point of comparison, depository credit intermediation has an LQ of 1.1, which is roughly on par with the US as a whole.

The state of Utah is one of seven states that charter Industrial Loan Companies (ILC), which are primarily owned by financial services firms and focus on a single product line or customer type. Although many former ILCs have since re-chartered, the State of Utah, generally, and Salt Lake County, specifically, retains the largest concentration of ILCs. Data published in 2007 by the Federal Reserve Bank of St. Louis estimated that Utah's ILCs account for 90 percent of the industry's assets.

Although difficult to segment by NAICS code, high-tech employment, including information technology and biotechnology, represents 7.8 percent of employment in the Salt Lake City metropolitan area compared to the U.S. at 4.8 percent of employment. Outreach with area companies reflect the positioning of the Salt Lake City metropolitan area as an increasingly strong draw for private equity firms willing to invest in innovative technologies, which are commonly unseasoned start-ups unable to receive a bank loan. The assessment area's primary economy is currently supported by a highly educated and skilled workforce able to command high wages as evidenced by the presence of debt and equity providers, the focus on incubating high tech companies, and the large number of nearby colleges and universities. The following table represents the change in median family income for counties in the assessment area between 2000 and 2010. The relatively high median family income and its increase between 2000 and 2010 reflect this skilled, educated workforce.

Median Family Income Change
2000 and 2010

Area	2000 Median Family Income	2006-2010 Median Family Income	Percentage Change
Salt Lake County, UT	54,470	67,451	23.8
Tooele County, UT	50,438	65,618	30.1
Davis County, UT	58,329	73,259	25.6
Weber County, UT	49,724	61,300	23.3
Utah County, UT	50,196	62,938	25.4
State of Utah	51,022	64,013	25.5

Source: 2000—U.S. Census Bureau: Decennial Census
2006-2010—U.S. Census Bureau: American Community Survey

As another measure of the assessment area's economic strength, upward mobility in the Salt Lake City metro area, defined as the probability that a child born to parents in the bottom 20 percent of income distribution will reach the top 20 percent ("absolute mobility"), is the fifth best among the largest U.S. metropolitan areas. The following data presents probability for the top five and bottom five metro areas based on income data from 2011-2012.

Upward Mobility in the 50 Largest U.S. Metropolitan Areas Probability of Movement from Lowest Quintile of Income Distribution to Top Quintile		
Rank	Commuting Zone	Percent Probability
1	San Jose, CA	12.9
2	San Francisco, CA	12.2
3	Washington, D.C.	11.0
4	Seattle, WA	10.9
5	Salt Lake City, UT	10.8
46	Indianapolis, IN	4.9
47	Dayton, OH	4.9
48	Atlanta, GA	4.5
49	Milwaukee, WI	4.5
50	Charlotte, NC	4.4
Source: Equality of Opportunity Project - The Poverty and Inequality Report 2015		

In the U.S. as a whole, the odds of reaching the top quintile are 7.5 percent. In Salt Lake City, the odds of reaching this top quintile are 10.8 percent, which means that a child born into poverty is nearly one and a half times more likely to become a high income earner than in the U.S., generally.

Housing Characteristics

The effects of a robust economy and a highly skilled and highly paid workforce are reflected in the rise of housing costs throughout the assessment area. The following table shows the increase in the median housing values between 2000 and 2010 for assessment area counties.

Trends in Housing Costs 2000 and 2010			
Location	2000 Median Housing Value	2006-2010 Median Housing Value	Percent Change
Salt Lake County, UT	153,500	237,500	54.7
Tooele County, UT	124,300	183,000	47.2
Davis County, UT	153,100	224,400	46.6
Weber County, UT	122,600	168,300	37.3
Utah County, UT	153,600	233,800	52.2
State of Utah	142,600	218,100	52.9
Source: 2000—U.S. Census Bureau: Decennial Census 2006-2010—U.S. Census Bureau: American Community Survey			

Median housing values have increased substantially throughout the assessment area, and at a rate far greater than the increase in median family income. Therefore, despite positive economic indicators, the assessment area generally has become less affordable to assessment area residents.

The decrease in affordability is further evidenced by the fall in the assessment area's affordability ratio. The affordability ratio is calculated by dividing median household income by median housing value, and allows for comparison of housing affordability across the assessment area. An area with a high ratio generally has more affordable housing than an area with a low ratio. The following table presents the change in the affordability ratio between 2000 and 2010 for assessment area counties.

Trends in the Affordability Ratio
2000 and 2010

Location	2000 Affordability Ratio	2006-2010 Affordability Ratio	Percent Change
Salt Lake County, UT	0.32	0.24	-22.5
Tooele County, UT	0.37	0.33	-10.1
Davis County, UT	0.35	0.30	-15.1
Weber County, UT	0.36	0.32	-10.5
Utah County, UT	0.30	0.24	-18.4
State of Utah	0.32	0.26	-19.5

Source: 2000—U.S. Census Bureau: Decennial Census
2006-2010—U.S. Census Bureau: American Community Survey

This data further supports that, despite increases in income and low unemployment, housing became less affordable across the assessment area between 2000 and 2010.

The need for subsidized housing is particularly acute in Salt Lake County, which has seen the greatest decrease in the affordability ratio. Although data is not available for all assessment area counties, within the three most populated counties for which it is available, Salt Lake County evidences the greatest need for an increase in subsidized units.

Subsidized Housing Indices
2013

Location	Average Household Income for Subsidized Households	Number of Subsidized Units	Average Months on Waiting List
Salt Lake County, UT	11,677	8,513	30
Davis County, UT	11,873	1,776	18
Utah County, UT	12,446	2,289	11
State of Utah	11,739	17,563	23

Source: Federal Reserve Bank of San Francisco 12th District Community Indicators Project - 2015

Salt Lake County has the highest average housing cost within assessment area counties and an average income that is 105.3 percent that of the State of Utah as a whole, yet it has the longest waitlist for subsidized housing for which data is available and an average household income for those seeking subsidized units that is only 17.3 percent of the county median. Given the advantages to residing within Salt Lake City, as evidenced by economic mobility indices, data indicates a need for increasing access to subsidized housing so that low-income residents may remain within the community.

Community Contacts

Two community representatives were contacted to help determine the credit and banking needs of the assessment area. Additionally, organizations who received community development financing from Ally Bank were interviewed in order to provide specific context regarding impactful lending, investment, and service opportunities and how they were addressed by the bank. Finally, information was reviewed from the bank's community needs assessment, which was performed in conjunction with the development of Ally Bank's Plan.

Representatives corroborated data indicating that the assessment area, particularly Utah County, is becoming a tech hub and that is responsible for most of the growth in population. Computer software company Adobe Systems opened a large tech campus in Utah County in 2013, as did e-commerce corporation eBay. Organizations repeatedly referenced the strength of the assessment area in seeding and incubating tech startups, and the number of local colleges and universities that act as feeders. Contacts also repeatedly referenced the number of financial institutions in the area looking to make CRA-qualified investments. One representative stated that banks are "always" contacting her organization to understand its needs.

Despite the robust assessment area economy and large number of institutions subject to CRA, contacts noted a number of community development needs. Contacts maintained that opportunities remain for financing affordable housing projects. Further, given the number of small start-ups, opportunities remain for financial institutions to provide technical assistance to small businesses. Need was noted for an increase in micro-enterprise loans, particularly those in amounts of $100,000 or greater. Additional support was also suggested through participation in New Markets Tax Credit pools.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Ally Bank's performance relative to the lending test is rated Outstanding. The Plan established four goals for both the assessment area and for the broader statewide and regional area as follows:

- Small loans (<$1MM) to businesses in LMI geographies for purchase of a vehicle;
- Loans in LMI geographies to consumers for purchase of a vehicle;
- Loans to LMI borrowers (consumer) for purchase of a vehicle; and
- Community Development loans

Ally Bank's performance relative to each goal exceeded the goals for a Satisfactory rating and substantially achieved the goals for an Outstanding rating.

Small Loans to Businesses in LMI Geographies

As the bank only originates or purchases business purpose loans for auto finance, a goal for small auto loans to businesses in LMI geographies was established to reflect performance in providing small dollar credit to businesses. The following table presents information regarding Ally Bank's performance relative to benchmarks established within the assessment area for Plan years 2014-2016.

Number of Small Auto Loans to Businesses in LMI Assessment Area Geographies												
	Goal Thresholds									Actual Performance		
	Low Satisfactory			High Satisfactory			Outstanding					
Year	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total
2014	13	38	51	14	44	58	16	48	64	25	97	122
2015	14	39	53	15	45	60	17	50	67	24	125	149
2016	15	39	54	16	45	61	18	51	69	20	89	109
Total	**42**	**116**	**158**	**45**	**134**	**179**	**51**	**149**	**200**	**69**	**311**	**380**

Actual performance exceeded goal thresholds for an Outstanding rating in lending to both low- and moderate-income geographies in each of the plan years, with the total aggregate lending in LMI tracts substantially exceeding that threshold.

Loans in LMI Geographies to Consumers for Purchase of a Vehicle

Given the bank's focus on automotive lending, a goal was established for lending in LMI geographies to consumers for purchase of a vehicle to reflect performance in extending consumer credit throughout the assessment area. The following table presents information regarding performance on the goal for loans to consumers residing in LMI geographies.

Number of Auto Loans in LMI Assessment Area Geographies												
	Goal Thresholds									Actual Performance		
	Low Satisfactory			High Satisfactory			Outstanding					
Year	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total
2014	21	146	167	23	161	184	25	175	200	17	156	173
2015	22	152	174	24	167	191	26	182	208	46	215	261
2016	23	155	178	25	171	196	27	186	213	37	201	238
Total	**66**	**453**	**519**	**72**	**499**	**571**	**78**	**543**	**621**	**100**	**572**	**672**

In 2014, lending in LMI areas met only the Low Satisfactory threshold. However, lending to LMI geographies exceeded the threshold for an Outstanding rating in 2015 and 2016 and greatly exceeded the threshold for low-income geographies specifically.

Loans to LMI Borrowers for Purchase of a Vehicle

Loans to LMI borrowers for purchase of a vehicle was designated as a goal to reflect performance in helping meet the credit needs of LMI individuals within the assessment area. The following table presents information regarding performance on the goal for loans to LMI borrowers for purchase of a vehicle.

Number of Auto Loans to LMI Borrowers												
	Goal Thresholds									Actual Performance		
	Low Satisfactory			High Satisfactory			Outstanding					
Year	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total	Low	Moderate	LMI Total
2014	86	242	328	96	272	368	107	302	409	140	278	418
2015	90	251	341	100	283	383	111	315	426	148	322	470
2016	92	257	349	102	290	392	114	322	436	135	320	455
Total	**268**	**750**	**1,018**	**298**	**845**	**1,143**	**332**	**939**	**1,271**	**423**	**920**	**1,343**

Actual performance exceeded the threshold for an Outstanding rating for aggregate lending to LMI borrowers in each year. Lending in moderate-income areas met the High Satisfactory threshold in 2014 and 2015; however, lending to low-income borrowers substantially exceeded the Outstanding threshold.

Community Development Lending

Ally Bank's Community Development lending goals and lending performance for 2014-2016 are presented in the following table.

Community Development Lending				
Dollars Originated in Assessment Area and Broader State and Regional Area ($ in Millions)				
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2014	$21.5	$24.1	$28.9	$55.7
2015	$22.0	$24.6	$30.6	$53.0
2016	$22.7	$25.5	$32.6	$46.1
Total	**$66.2**	**$74.2**	**$92.1**	**$154.8**

The bank's community development lending originations greatly exceed the established thresholds for an Outstanding rating. Further, a number of the loans originated were focused in areas identified as part of the needs assessment as being particularly impactful and responsive. Of the $154.8 million in qualified community development loans originated, $140 million or 90.4 percent were made to affordable housing projects. Loans often required special expertise and effort to provide a benefit that would not otherwise be possible. Notable examples of impactful community development loans include:

- A construction to permanent loan of $9.7 million to finance a 100-unit multifamily Low-Income-Housing Tax-Credit (LIHTC) rental project in which 79 units were income restricted to very low-income seniors (between 25 percent and 50 percent of area median income). Providing debt for a LIHTC transaction evidences a high level of knowledge, familiarity, and skill with a complex tax credit investment model. Ally Bank further acted as a LIHTC investor for this project.

- Four loans totaling $13.2 million for New Market Tax Credit (NMTC) transactions. This includes a $500,000 participation in a bridge loan for a historic rehabilitation of a manufacturing warehouse in a moderate-income census tract that twinned NMTC with Historic Rehabilitation Tax Credits (HTC) in a leverage structure transaction. The project consists of 13 residential apartment units, all reserved for residents making less than 80 percent of area median income (AMI), as well as eight commercial spaces for artists or small businesses. Acting as a lender in a NMTC leverage structure that also uses HTC evidences an extremely sophisticated understanding of complex tax credit investments; further, as Ally Bank is not a commercial real estate lender its involvement in complex commercial real estate transactions, particularly in areas of the transaction that are often difficult to source, is notable.

- An $800,000 loan to the Salt Lake County Pay for Success (PFS) Development Fund. PFS is an outcome-based approach to financing social services that can be used to scale up particularly effective programs. The PFS Development Fund has adopted the PFS model to take a portfolio development approach in which several projects are simultaneously funded, creating better economies of scale, integrating performance-based contracts into policymaking, and promoting data sharing. This portfolio approach is the only such example in the PFS sector. Ally Bank's involvement with this unique PFS model evidences a particularly deep understanding of this initiative, which is designed to create increased community impact through multi-intervention funding.

INVESTMENT TEST

Ally Bank's performance relative to the investment test is rated Outstanding. The 2014-2016 Strategic Plan established performance thresholds as follows:

Community Development Investments New Investments and Grants Made in the Assessment Area and Broader State and Regional Area ($ in Millions)				
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2014	$240.5	$264.6	$288.6	$298.6
2015	$246.4	$271.0	$295.6	$313.2
2016	$255.0	$280.4	$305.9	$312.4
Total	**$741.9**	**$816.0**	**$890.1**	**$924.2**

Actual performance exceeds the number of dollars in new investments needed to meet the threshold for Outstanding in each year of the plan. The bank's investments and grants further highlighted a commitment to responding to identified community development needs, particularly in leadership positions and in complex areas. Notable examples include:

- Three investments totaling $10.0 million in Small Business Community Capital II (SBCC II), the first Latina-led Small Business Investment Company (SBIC) in the country and an SBA designated impact fund. SBCC II specializes in providing debt financing to new, small businesses between $100K and $1MM. This size of small business loan was identified within the community needs assessment as being particularly responsive. Ally investments in SBCC II have a purpose, mandate, and function of serving businesses in Utah. As the bank is not an SBA lender, investment through an SBIC is a particularly innovative way of meeting this assessment area need.

- Two venture capital investments totaling $10.0 million in the University Growth Fund (UGF). UGF is a successor to the University Venture Fund (UVF), a student-led venture capital fund that was recognized as a Community Development Venture Capital (CDVC) fund. As a CDVC fund, investments are predominately focused in CRA qualifying activities. UVF's investments were 98 percent CRA qualified, and UGF's investments are 78 percent CRA qualified to date. Ally Bank's participation as a lead investor in UGF evidences an innovative way to provide equity to small businesses.

- A $3 million venture capital investment in Kickstart Seed Fund II, a seed capital fund that provides equity financing to specifically new small businesses that may otherwise be too unseasoned for traditional venture capital firms. Kickstart's focus is on providing technical assistance to first-time entrepreneurs. Additionally, 68 percent of companies had revenue of less than $1 million, and 64 percent of employees were LMI. Ally Bank's investment in this seed capital fund is particularly responsive to assessment area needs as it funds small investments to entrepreneurs coupled with technical assistance.

- Donations totaling $60,000 to the Road Home and First Step House. The Road Home provides rental assistance and case management for the persistently homeless. First Step House provides intensive, targeted treatment, housing and case management for high-risk, high-need offenders. Both organizations are participants in Salt Lake County's Pay for Success project. Ally Bank's donations to these organizations coupled with lending to them through the PFS model evidences a high degree of involvement and impact.

SERVICES TEST

Ally Bank's performance relative to the service test is rated Outstanding. The 2014-2016 Strategic Plan performance thresholds and performance are as follows.

Community Development Services Service Hours Performed in the Assessment Area and Broader State and Regional Area				
Year	Low Satisfactory	High Satisfactory	Outstanding	Actual Performance
2014	650	700	750	841
2015	700	750	800	811
2016	750	800	850	979
Total	**2,100**	**2,250**	**2,400**	**2,631**

Actual performance exceeds the number of hours needed to meet the threshold for Outstanding in each year of the plan. Service hours performed evidenced a high level of involvement on Boards of Directors for organizations that promote the provision of financial services, and in providing technical assistance regarding financial services. Examples include:

- Board of Directors membership on the University Growth Fund. Ally Bank's Board membership, coupled with its investments, evidence a high level of participation and an ongoing commitment to its initiatives.

- Board of Directors membership on and teaching of financial literacy classes through the Arizona Auto Dealer Association. Through a collaborative effort with this organization, Ally Bank delivered budget and credit lessons using financial literacy curriculum that it developed (Ally Wallet Wise) to students in vocational schools located in LMI areas.

- Board of Directors membership on and technical assistance provided to Women of the World, an organization that provides services to refugee women, including housing, job placement, and English classes. Ally Bank employees served on the Board, helped prepare impact reporting metrics, and prepare budgets. Ally Bank further provided $40,000 in grants during the review period to this organization.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	2014-2016		
FINANCIAL INSTITUTION Ally Bank			PRODUCTS REVIEWED Small loans to business Consumer auto loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
Ally Financial, Inc.	Parent Company		Small loans to business Consumer auto loans
IDENTIFICATION OF ASSESSMENT AREAS			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Salt Lake City-Provo-Orem CSA #482	Full Review	N/A	N/A

APPENDIX B – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

   Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

   1) Low- or moderate-income geographies;
   2) Designated disaster areas; or
   3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:
      a. Rates of poverty, unemployment or population loss; or
      b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

5. Loans, investments, and services that –
   i. Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
   ii. Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees, and
   iii. Benefit low-, moderate-, middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Development Loan: A community development loan means a loan that:

1) Has as its primary purpose community development; and
2) Except in the case of a wholesale or limited purpose bank –
   a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
   b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

1) Has as its primary purpose community development; and
2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, home equity, other consumer secured loan, and other consumer unsecured loan.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;
3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Loan location: Under this definition, a loan is located as follows:

1) Consumer loan is located in the census tract where the borrower resides;
2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (**MSA**) or a metropolitan division (**MD**) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of $1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.