



GM FINANCIAL

Fourth Quarter 2019 Earnings Presentation

February 5, 2020

Safe Harbor Statement

This presentation contains several “forward-looking statements.” Forward-looking statements are those that use words such as “believe,” “expect,” “intend,” “plan,” “may,” “likely,” “should,” “estimate,” “continue,” “future” or “anticipate” and other comparable expressions. These words indicate future events and trends. Forward-looking statements are our current views with respect to future events and financial performance. These forward-looking statements are subject to many assumptions, risks and uncertainties that could cause actual results to differ significantly from historical results or from those anticipated by us. The most significant risks are detailed from time to time in our filings and reports with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2019. Such risks include - but are not limited to - GM's ability to sell new vehicles that we finance in the markets we serve; dealers' effectiveness in marketing our financial products to consumers; the viability of GM-franchised dealers that are commercial loan customers; the sufficiency, availability and cost of sources of financing, including credit facilities, securitization programs and secured and unsecured debt issuances; the adequacy of our underwriting criteria for loans and leases and the level of net charge-offs, delinquencies and prepayments on the loans and leases we purchase or originate; our ability to effectively manage capital or liquidity consistent with evolving business or operational needs, risk management standards and regulatory or supervisory requirements; the adequacy of our allowance for loan losses on our finance receivables; our ability to maintain and expand our market share due to competition in the automotive finance industry from a large number of banks, credit unions, independent finance companies and other captive automotive finance subsidiaries; changes in the automotive industry that result in a change in demand for vehicles and related vehicle financing; the effect, interpretation or application of new or existing laws, regulations, court decisions and accounting pronouncements; adverse determinations with respect to the application of existing laws, or the results of any audits from tax authorities, as well as changes in tax laws and regulations, supervision, enforcement and licensing across various jurisdictions; the prices at which used vehicles are sold in the wholesale auction markets; vehicle return rates, our ability to estimate residual value at the inception of a lease and the residual value performance on vehicles we lease; interest rate fluctuations and certain related derivatives exposure; our joint ventures in China, which we cannot operate solely for our benefit and over which we have limited control; changes in the determination of LIBOR and other benchmark rates; our ability to secure private customer and employee data or our proprietary information, manage risks related to security breaches and other disruptions to our networks and systems and comply with enterprise data regulations in all key market regions; foreign currency exchange rate fluctuations, public health crises, including the occurrence of a contagious disease or illness, such as the novel coronavirus and other risks applicable to our operations outside of the U.S.; and changes in local, regional, national or international economic, social or political conditions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. It is advisable not to place undue reliance on any forward-looking statements. We undertake no obligation to, and do not, publicly update or revise any forward-looking statements, except as required by federal securities laws, whether as a result of new information, future events or otherwise.

Financial and Operating Highlights

(\$M)	CY 2019	CY 2018	Q4 2019	Q4 2018
Income Before Income Taxes	\$2,104	\$1,893	\$498	\$416
Total Originations (Loan & Lease)	\$47,516	\$48,774	\$10,870	\$13,632
Ending Earning Assets	\$96,472	\$96,982	\$96,472	\$96,982
Average Earning Assets	\$97,422	\$90,566	\$96,642	\$94,878
Net Charge-offs as Annualized % of Avg. Retail Finance Receivables	1.6%	1.8%	1.8%	1.8%

- **Operating results**

- Income before income taxes up driven by retail and commercial loan growth, and greater net leased vehicle income due to gains on a higher volume of lease terminations
- Total originations impacted by changes in incentive financing programs in the U.S.
- Credit performance stable; portfolio benefit from mix shift to prime credit quality assets in the U.S. is stabilizing

- **Customer Experience**

- GM Financial continues to lead in overall manufacturer loyalty

- **Funding platform**

- Issued \$2.4B in public and private debt securities and renewed eight credit facilities totaling \$3.7B

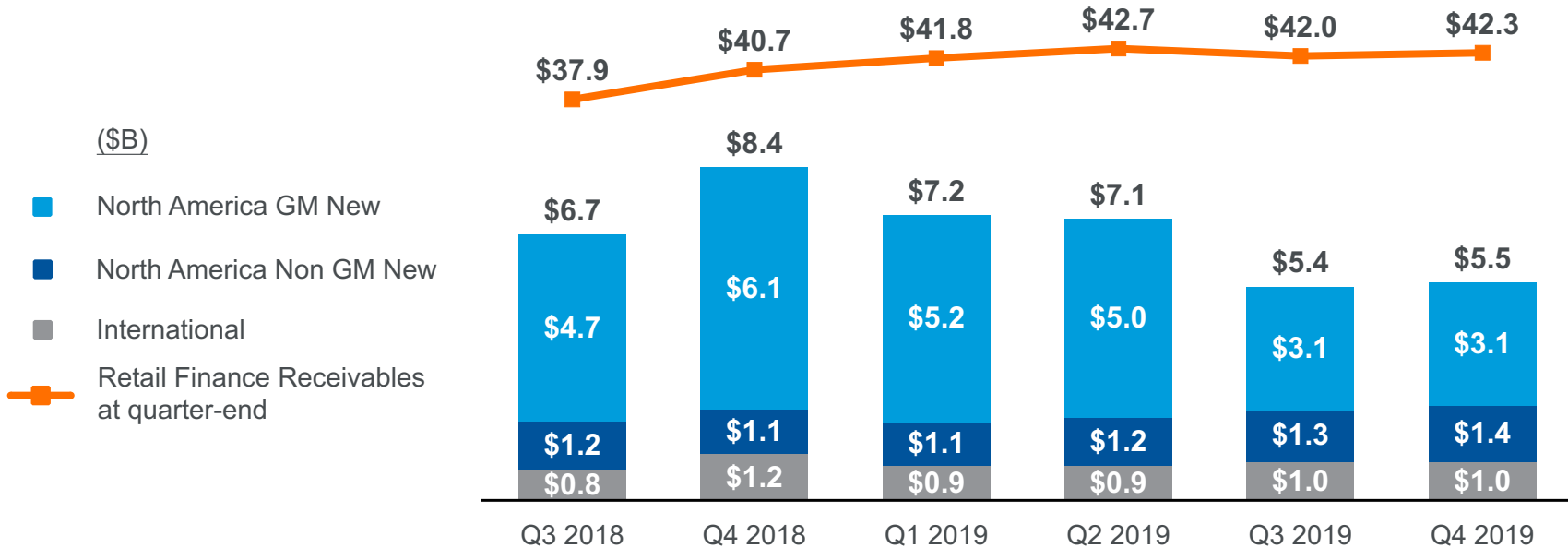
- **Paid \$400M annual dividend to GM in October**

GM and GM Financial Penetration Statistics

	CY 2019	CY 2018	Q4 2019	Q3 2019	Q4 2018
GM Financial as a % of GM Retail Sales					
U.S.	43.1%	49.1%	37.7%	36.7%	55.7%
Latin America	51.9%	56.9%	49.6%	53.7%	54.4%
GM as % of GM Financial Retail Originations (GM New / GM Financial Retail Loan and Lease Originations)					
U.S.	88.2%	90.0%	85.8%	86.6%	91.0%
Latin America	94.4%	93.5%	94.2%	94.8%	93.9%

- Retail penetration levels dependent on incentive financing programs available and competing third-party financing products in the market
- Target to maintain 50%+ penetration of GM retail sales over time

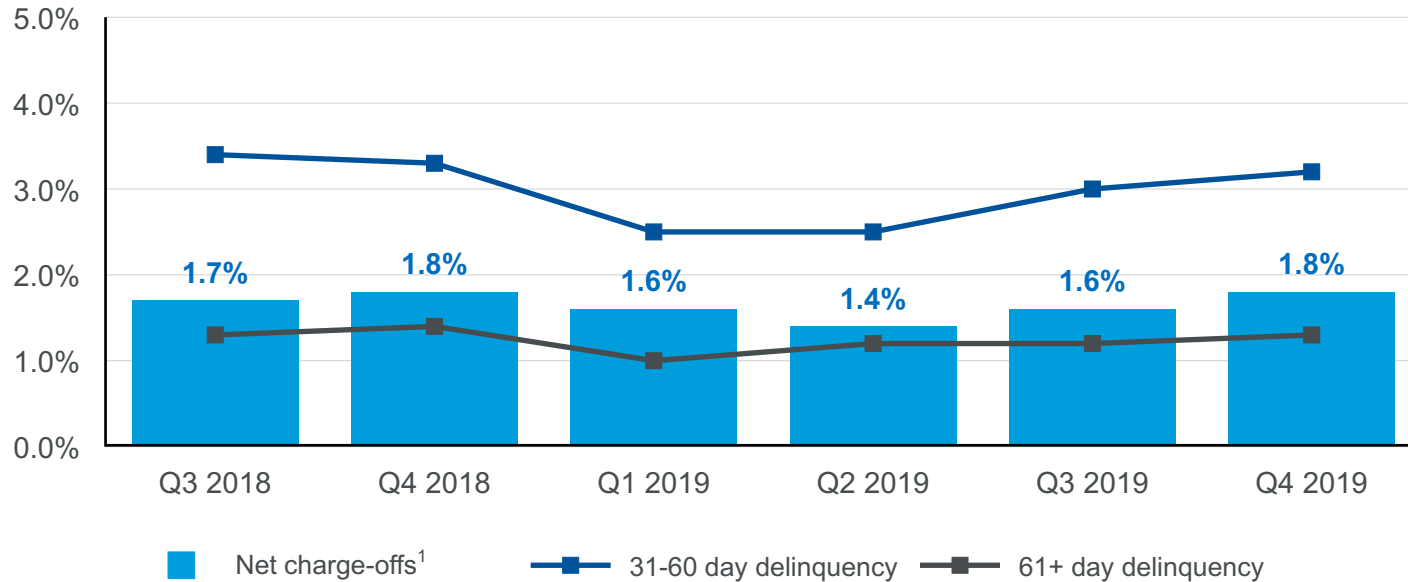
Retail Loan Originations & Portfolio Balance



U.S. Weighted Avg. FICO Score	736	745	737	729	702	694
Outstanding Contracts (000s)	2,494	2,608	2,652	2,678	2,661	2,657

- **Weighted average FICO impacted by type of incentive programs offered and penetration of GM retail sales**

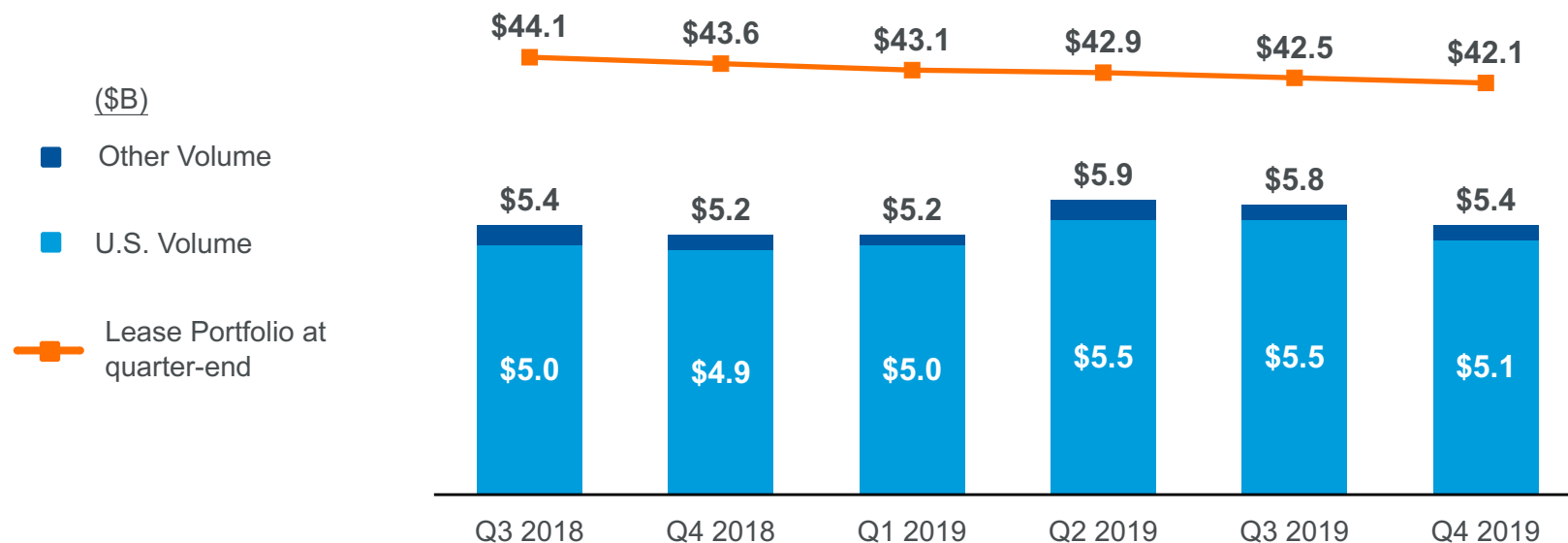
Retail Loan Credit Performance



- **Credit metrics remain stable, experienced normal seasonal trend in Q4**
 - Finance receivables with a FICO score ≥ 620 comprised 76% of total retail loan portfolio at December 31, 2019 compared to 75% at December 31, 2018

1. As annualized percentage of average retail finance receivables

Operating Lease Originations & Portfolio Balance

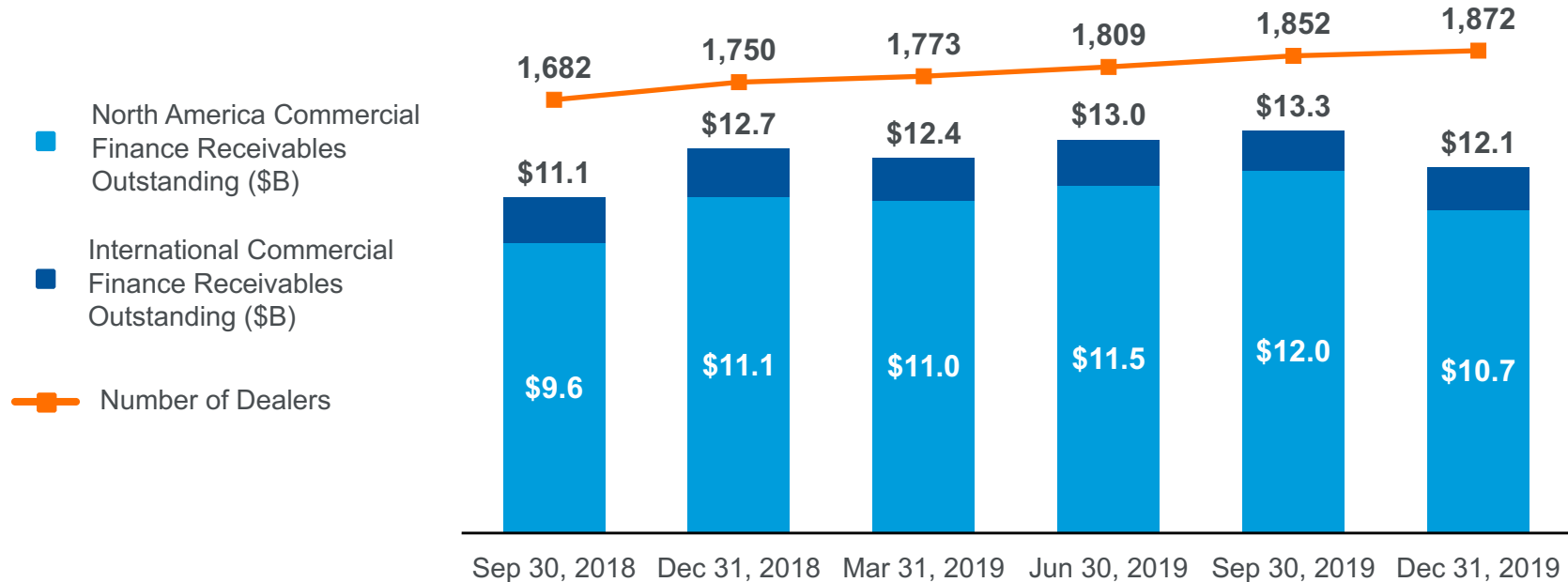


GM Type of U.S. Sale - Lease ¹	24%	23%	26%	24%	23%	24%
U.S. Weighted Avg. FICO Score	772	773	772	774	775	776
Outstanding Contracts (000s)	1,710	1,703	1,687	1,668	1,638	1,606

- **Used vehicle price decline of 3% in 2019 compared to 2018 due to peak lease terminations**
 - Expect 3-4% used vehicle price decline in 2020 compared to 2019 due to sustained high levels of off-lease supply

1. Lease as a percentage of GM U.S. retail sales mix (Source: J.D. Power and Associates' Power Information Network PIN)

Commercial Lending



U.S. Floorplan Dealers	1,045	1,116	1,151	1,190	1,238	1,262
U.S. Wholesale Dealer Penetration	23.6%	25.2%	26.0%	27.0%	28.1%	28.8%

- **Solid growth in number of U.S. dealers and receivables outstanding**
- **North America receivables outstanding at year-end impacted by work stoppage**

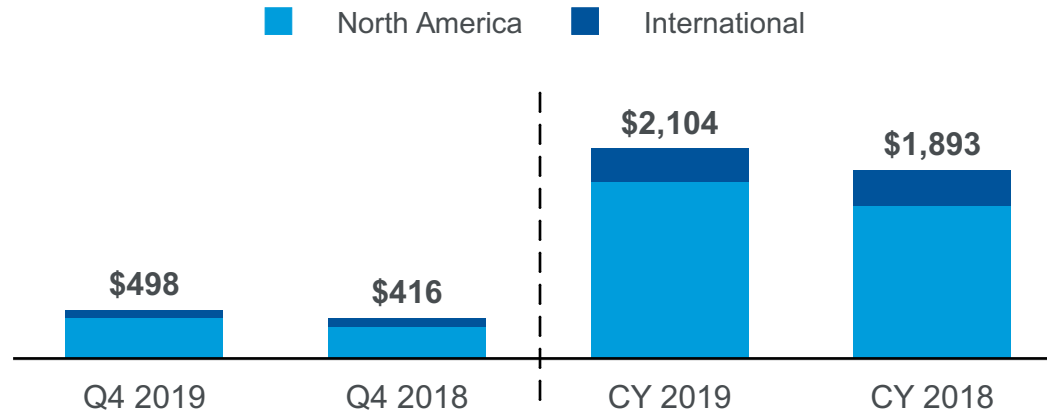
China Joint Ventures

	CY 2019	CY 2018	Q4 2019	Q3 2019	Q4 2018
Joint Ventures as a % of SGM Retail Sales	45.1%	41.4%	47.4%	41.1%	49.1%
Retail Originations (\$B)	\$12.0	\$12.3	\$3.5	\$2.6	\$3.8
Ending Earning Assets (\$B)					
Retail	\$14.6	\$12.9	\$14.6	\$13.4	\$12.9
Commercial	\$4.5	\$4.5	\$4.5	\$3.5	\$4.5
Annualized Net Retail Charge-offs	0.3%	0.1%	0.3%	0.3%	0.1%
GM Financial Equity Income (\$M)	\$166	\$183	\$40	\$39	\$42

- **Quarterly retail originations and penetration increased compared to Q3 2019 due to impact of seasonal promotion and sales activity**

Financial Results

Income Before Income Taxes (\$M)



- **Calendar year earnings up year-over-year due primarily to:**

- Increased finance charge income associated with portfolio growth and increased interest rates on the commercial portfolio, partially offset by lower yield on the retail portfolio due to mix shift to prime loan assets
- Increased net leased vehicle income due to gains on a higher volume of lease terminations
- Partially offset by increased interest expense due to higher average debt outstanding supporting asset growth and higher effective interest rates

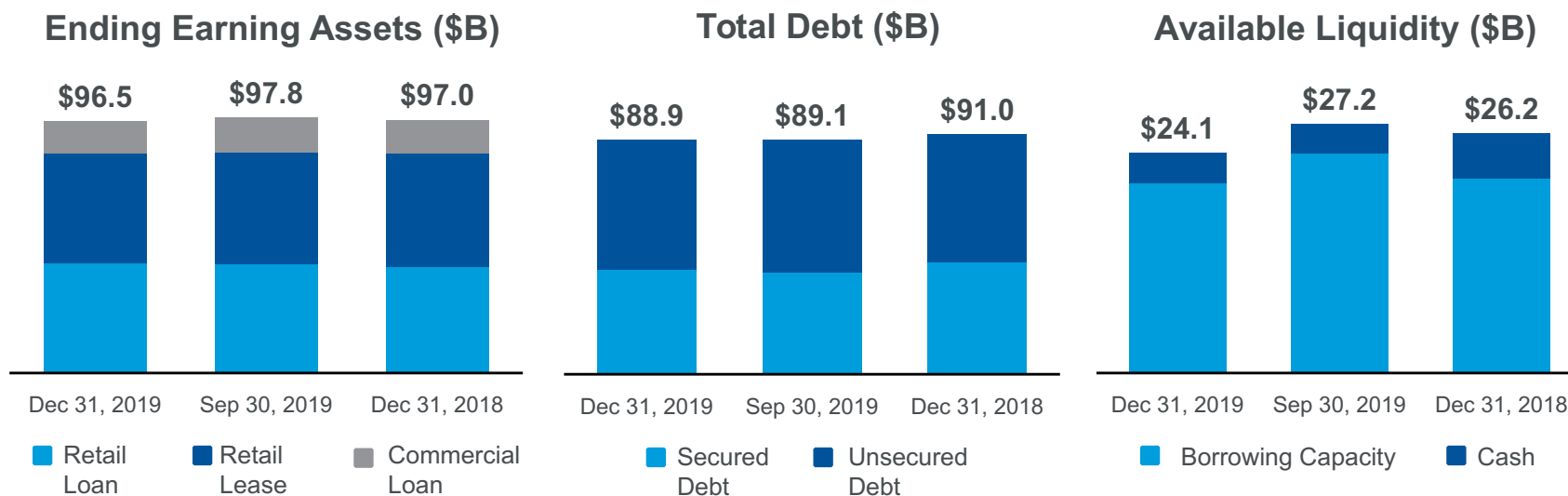
- **Expect full year 2020 income before income taxes to be flat to slightly down compared to 2019**

- Increased provision expense associated with earning asset growth and implementation of CECL
- Lower residual gains due to fewer lease terminations and lower gains per unit

Current Expected Credit Loss Model (CECL)

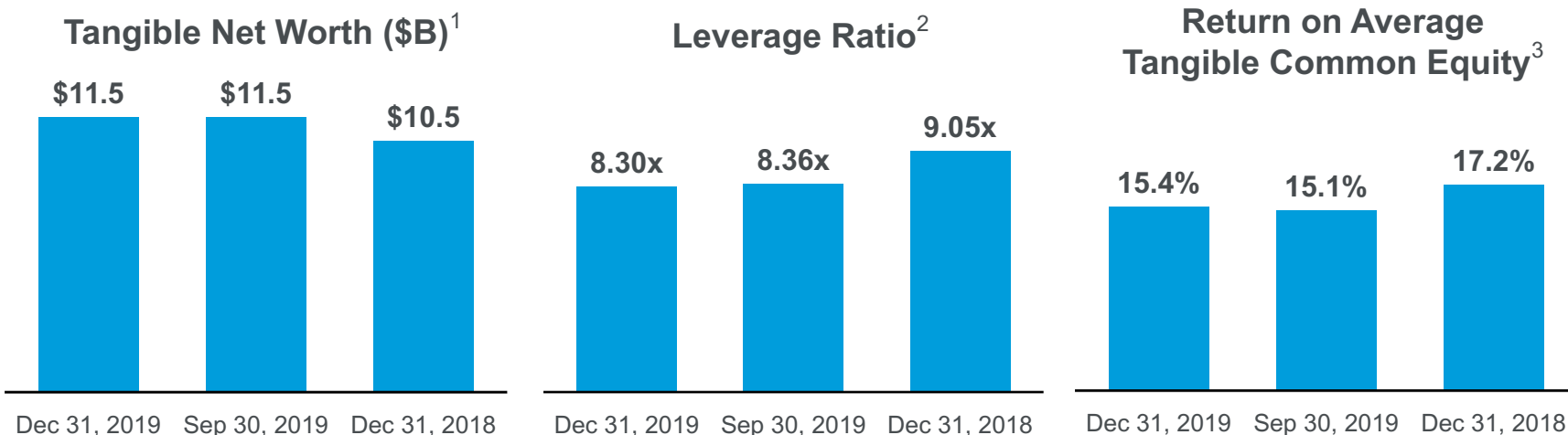
- **Implementation of new accounting standard requires GM Financial to reserve for expected lifetime credit losses**
 - Previous methodology reserved for losses expected over a "loss confirmation period"
 - Considers relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectibility of the reported amount, resulting in recognition of lifetime expected credit losses upon loan origination
- **Impact is non-cash at adoption**
- **At adoption, allowance for loan losses will increase ~\$800M and retained earnings will decrease ~\$600M**

Solid Balance Sheet



- **Composition of ending earning assets continued to shift to retail and commercial loan**
 - Retail loan comprised 44% of ending earning assets at December 31, 2019 up from 42% at December 31, 2018
- **Unsecured debt was 55% of total debt at December 31, 2019, up from 53% at December 31, 2018**
- **Available liquidity at December 31, 2019 in line with target; proactively managed down from December 31, 2018 in line with origination volume**

Solid Balance Sheet (continued)



- Tangible net worth increased year-over-year driven by strong earnings
- Leverage ratio remains well below Support Agreement threshold (11.5x at December 31, 2019)
- Return on average tangible common equity for the four quarters ended December 31, 2019 declined year-over-year due to higher effective tax rate
- Expect to continue path of higher year-over-year dividend payment to GM in 2020

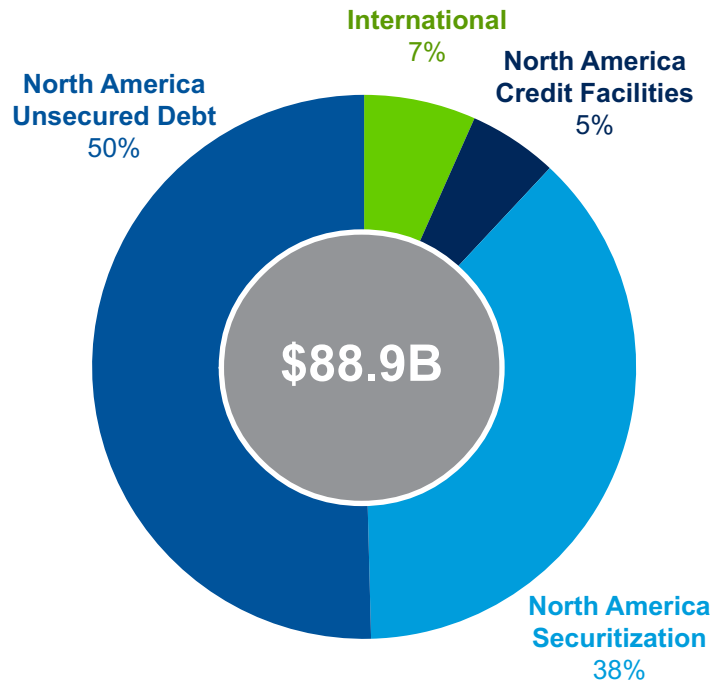
1. Total shareholders' equity less goodwill

2. Calculated consistent with GM/GM Financial Support Agreement, filed with the Securities and Exchange Commission as an exhibit to our Current Report on Form 8-K dated April 18, 2018

3. Defined as net income attributable to common shareholder for the trailing four quarters divided by average tangible common equity for the same period. See Appendix for reconciliation to the most directly comparable GAAP measure.

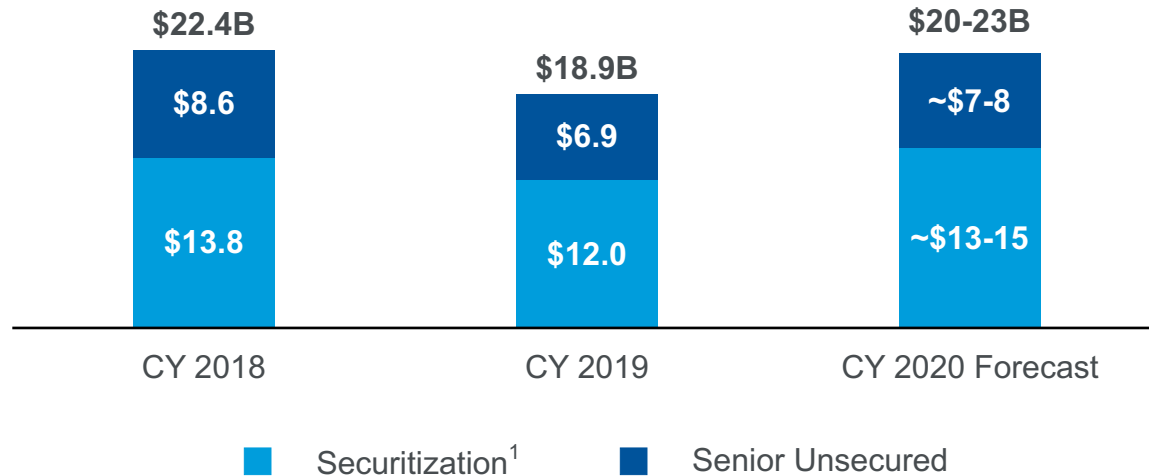
Funding Activity

Debt Outstanding at December 31, 2019



- **Credit facilities**
 - Committed credit facilities totaling \$27.0B provided by 27 banks
- **Capital markets**
 - Public securitization funding in Q4 2019 totaled \$1.0B
 - GMCAR 2019-4 (U.S. Prime Retail Loan)
 - Subsequent to year-end, issued GMCAR 2020-1 for \$1.2B
 - Senior unsecured note issuance in Q4 2019 totaled C\$500M in Canada (\$0.4B)
 - Subsequent to year-end, issued \$1.25B in the U.S.
- **Private amortizing securitizations**
 - Closed two U.S. transactions totaling \$1.0B to support lease and prime loan platforms

Public Debt Issuances



- **Maintain strategy of funding locally, with flexibility to issue globally to support U.S. funding needs and enhance investor diversification**
- **Securitization platforms segregated by asset type and geography**
 - AMCAR - U.S. Sub-prime Retail Loan
 - GMALT - U.S. Lease
 - GFORT - U.S. Floorplan
 - GCOLT - Canada Lease
 - GMCAR - U.S. Prime Retail Loan
- **Global senior notes platform funding operations in U.S., Canada and Latin America**

1. Includes Rule 144a transactions

CY 2019 Highlights/Accomplishments

- **Earned record \$2.1B in income before income taxes**
- **Grew U.S. wholesale dealer penetration and maintained dominant position in Latin America**
- **Over two million leads provided to GM dealers contributing to approximately 480,000 retail sales, of which 69% were financed by GM Financial**
- **Maintained industry-leading manufacturer loyalty for both loan and lease customers**
- **Managed record lease terminations and optimized disposition proceeds**
- **Continued favorable balance sheet trends with a lower leverage ratio, strong mix of prime earning assets and unencumbered assets**
- **Issued \$23.2B in public and private, secured and unsecured debt globally**
- **Increased annual dividend to GM**

Appendix



GM Financial Return on Average Common Equity

(\$M)	Four Quarters Ended		
	December 31, 2019	September 30, 2019	December 31, 2018
Net income attributable to common shareholder	\$ 1,477	\$ 1,418	\$ 1,504
Average equity	12,270	12,070	11,049
Less: average preferred equity	(1,477)	(1,476)	(1,136)
Average common equity	10,793	10,594	9,913
Less: average goodwill	(1,186)	(1,187)	(1,192)
Average tangible common equity	\$ 9,607	\$ 9,407	\$ 8,721
Return on average common equity	13.7%	13.4%	15.2%
Return on average tangible common equity ¹	15.4%	15.1%	17.2%

1. Defined as net income attributable to common shareholder for the trailing four quarters divided by average tangible common equity for the same period



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