GM FINANCIAL

# First Quarter 2020 Earnings Presentation

May 6, 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 - the length and severity of the COVID-19 pandemic; 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 Asia/Pacific, 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 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.

# Response to COVID-19

| | |
|---|---|
| **Employees** | • Prioritizing health and safety of employees through work-from-home initiative, maintaining full capabilities for telephonic and digital customer service<br>• Preparing for return to office with a phased approach and enhanced safety protocols |
| **Retail Customers** | • Offering payment deferrals, end-of-lease term options and fee waivers<br>• Supporting GM go-to-market strategies and providing attractive financing offers for new loans and leases<br>• Enhancing digital interactions to improve customer support |
| **Dealers** | • Supporting dealers by offering interest deferral and waiver of curtailment payments on floorplan financing for three months; deferring payments on dealer loans<br>• Facilitating Paycheck Protection Program applications for dealers through third-party SBA lenders |

# Financial and Operating Highlights

| ($M) | Q1 2020 | Q1 2019 |
|---|---|---|
| Earnings Before Taxes | $230 | $359 |
| Total Originations (Loan & Lease) | $11,537 | $12,372 |
| Ending Earning Assets | $96,082 | $97,205 |
| Net Charge-offs as Annualized % of Avg. Retail Finance Receivables | 1.7% | 1.6% |

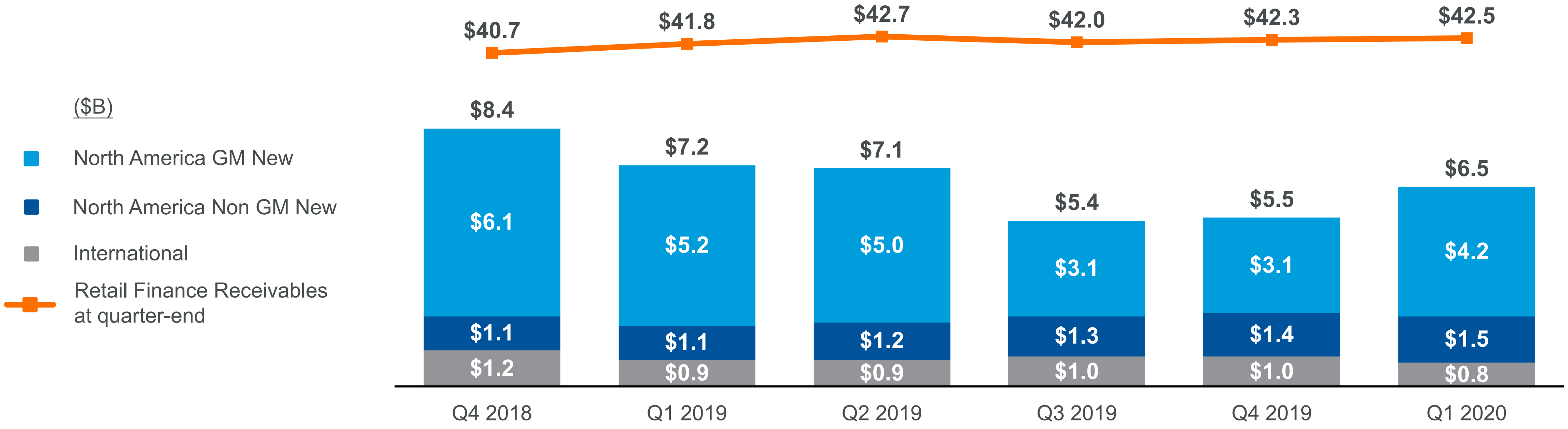
- **Operating results**
  - Earnings before taxes down primarily due to increased loan provision expense as a result of economic forecast related to COVID-19
  - Recorded $39 million valuation adjustment on vehicle inventory reflecting recent disruptions in auction markets
  - Expect greater impact on credit performance and residual values throughout remainder of the year
  - Total originations impacted by changes in incentive financing programs in the U.S. and lower auto sales year-over-year
- **Customer experience**
  - GM Financial leads in overall manufacturer loyalty
  - Accelerated roll-out of chat bot technology ("Nanci") to drive digital customer contacts
- **Funding platform**
  - Issued $6.7B in public and private debt securities and renewed five credit facilities totaling $1.8B
  - Re-opened ABS market in April with first prime auto loan issuance since early March
- **Paid $400M dividend to GM in March**

# GM and GM Financial Penetration Statistics

| | Q1 2020 | Q4 2019 | Q1 2019 |
|---|---|---|---|
| **GM Financial as a % of GM Retail Sales** | | | |
| **U.S.** | 44.8% | 37.7% | 52.8% |
| **Latin America** | 50.4% | 49.6% | 54.7% |
| **GM as % of GM Financial Retail Originations** (GM New / GM Financial Retail Loan and Lease Originations) | | | |
| **U.S.** | 85.2% | 85.8% | 90.4% |
| **Latin America** | 93.8% | 94.2% | 94.1% |

- **U.S. retail penetration levels up from Q4 2019 due to GM incentive programs**
  - U.S. retail penetration above 55% in April driven by launch of 0% for 84-months offer with no payments for 120 days
- **Penetration remains stable in Latin America**

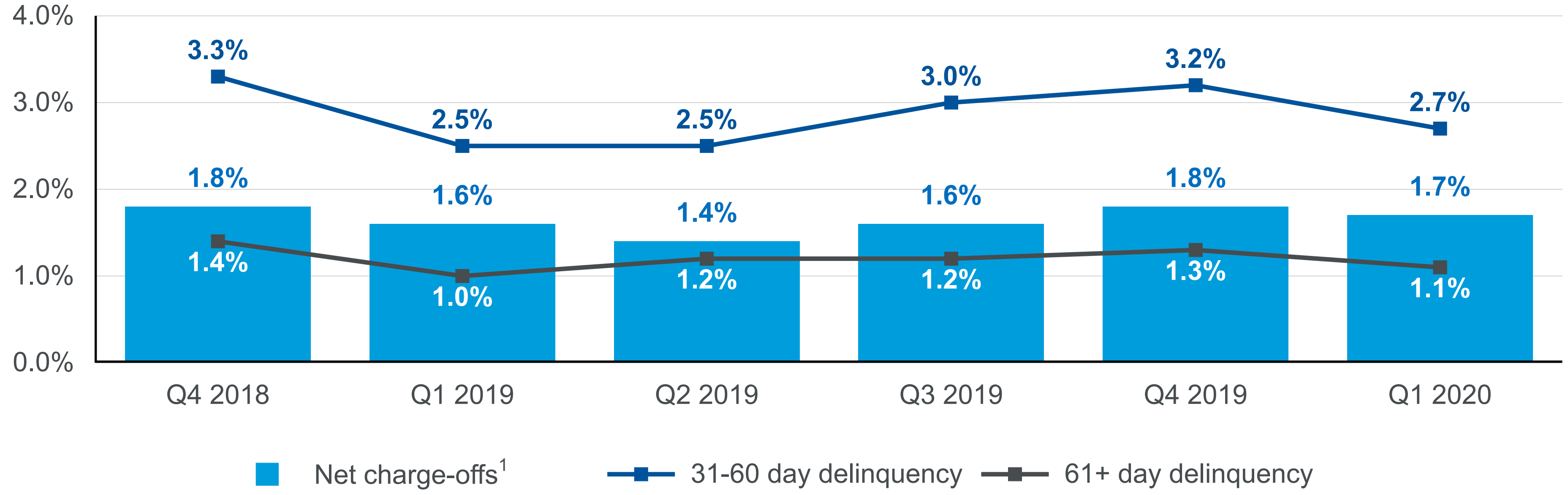
# Retail Loan Originations & Portfolio Balance




| | | | | | | |
|---|---|---|---|---|---|---|
| U.S. Weighted Avg. FICO Score | 745 | 737 | 729 | 702 | 694 | 707 |
| Outstanding Contracts (000s) | 2,608 | 2,652 | 2,678 | 2,661 | 2,657 | 2,692 |

- **Retail loan originations and weighted average FICO at origination impacted by type of incentive programs offered and penetration of GM retail sales**
  - Current incentive programs driving higher credit quality customer in April, U.S. weighted average FICO score in the mid-700s

# Retail Loan Credit Performance




- **Year-over-year delinquency and net charge-offs slightly elevated due to late Q1 timing of COVID-19 economic impact**
- **Q2 credit metrics expected to be worse due to weak economic environment globally**
  - Net charge-offs to increase as repossession activity has been temporarily suspended; accounts more than 120 days past due charged off in full; annual net charge-offs expected to range from 2.0% to 2.5% in 2020
  - Payment deferrals positively impacting delinquency as accounts generally brought current through deferment process

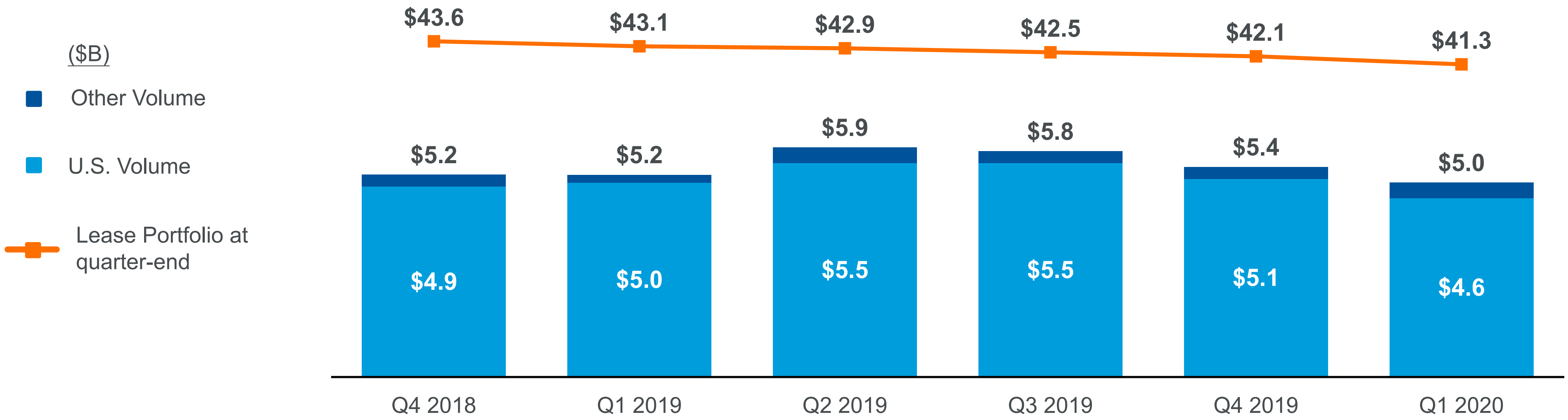
1. As annualized percentage of average retail finance receivables

# North America Retail Loan Support

| | January | February | March | April |
|---|---|---|---|---|
| **Payment deferrals as % of retail finance receivables outstanding** | **1.2%** | **0.9%** | **1.6%** | **3.5%** |
| Distribution by Delinquency | | | | |
| Current | 4% | 5% | 15% | 28% |
| 5-30 days past due | 38% | 38% | 51% | 51% |
| >30 days past due | 58% | 57% | 34% | 21% |
| Distribution by FICO | | | | |
| Sub-prime (<620) | 65% | 65% | 57% | 44% |
| Prime (620+) | 35% | 35% | 43% | 56% |

- **Supporting customers affected by COVID-19 through payment deferrals**
  - Loan term extended by the length of deferral, typically two months; interest continues to accrue
  - April payment deferrals of 3.5%, up from typical range of 1-2% in stable economic environment

# Operating Lease Originations & Portfolio Balance



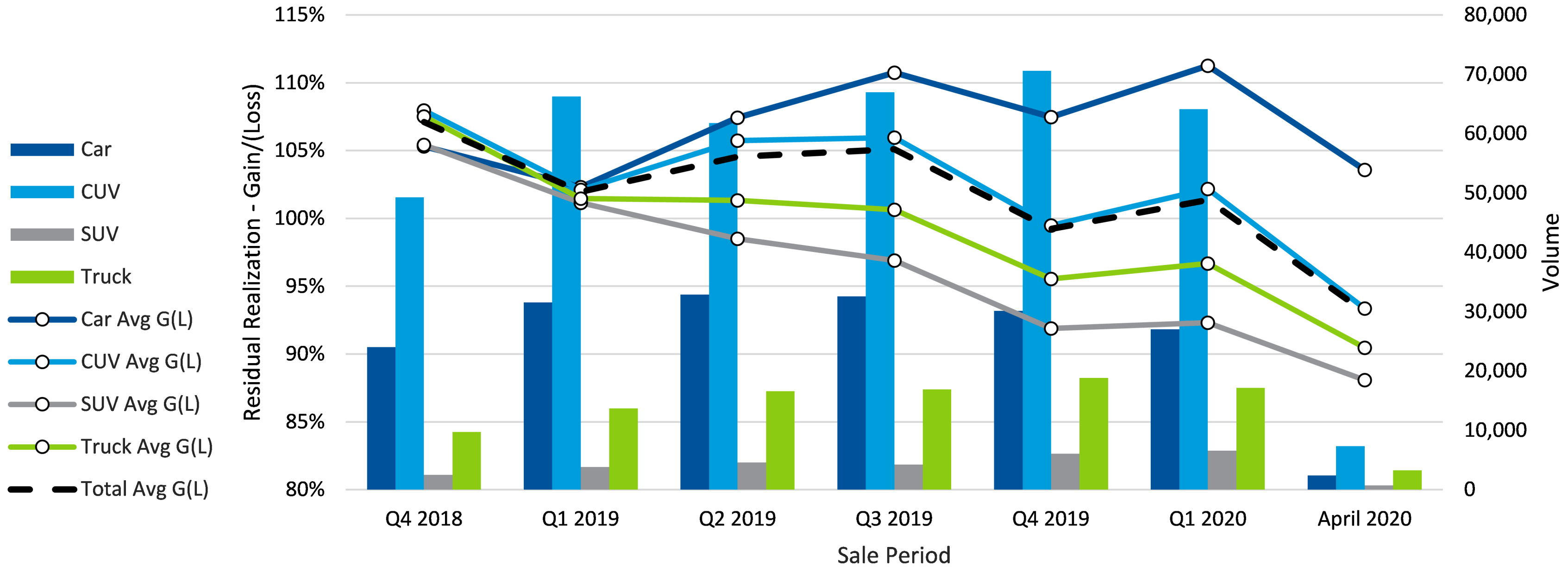

| | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 |
|---|---|---|---|---|---|---|
| GM Type of U.S. Sale - Lease[1] | 23% | 26% | 24% | 23% | 24% | 23% |
| U.S. Weighted Avg. FICO Score | 773 | 772 | 774 | 775 | 776 | 776 |
| Total Return Rate | 70% | 75% | 75% | 72% | 77% | 76% |
| Outstanding Contracts (000s) | 1,703 | 1,687 | 1,668 | 1,638 | 1,606 | 1,585 |

- **High credit quality portfolio with >30 day delinquency rate of 0.8% in Q1 2020, flat year-over-year**
- **Originations trending down due to COVID-19 impact on larger lease markets and strength of GM loan programs**
- **Contract extensions offered allowing customers to remain in their vehicle beyond scheduled lease termination date**
- **Launched payment deferral option for lease customers in April; deferred payments due with final payment**

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

# GM Financial Used Vehicle Trends

U.S. GMF Gross Proceeds vs. ALG Residuals at Origination[1]
Q4 2018 - April 2020 Sales
(Avg % Per Unit[2])




| | | | | | | | |
|---|---|---|---|---|---|---|---|
| U.S. Sales Volume (units 000s) | 85.6 | 115.4 | 115.9 | 120.7 | 125.6 | 114.9 | 13.7 |

- **COVID-19 disruption putting near-term pressure on used vehicle values; residual value estimates at March 31, 2020 reflect lower used vehicle pricing and will result in accelerated depreciation expense in 2020, weighted more heavily to 2020 maturities**
  - Incremental depreciation expense consistent with industry forecasts of 7-10% decline in used vehicle prices in 2020 compared to 2019

1. Based on average condition ALG residual with mileage modifications
2. Reflects average per unit gain/(loss) on vehicles returned to GMF and sold in the period

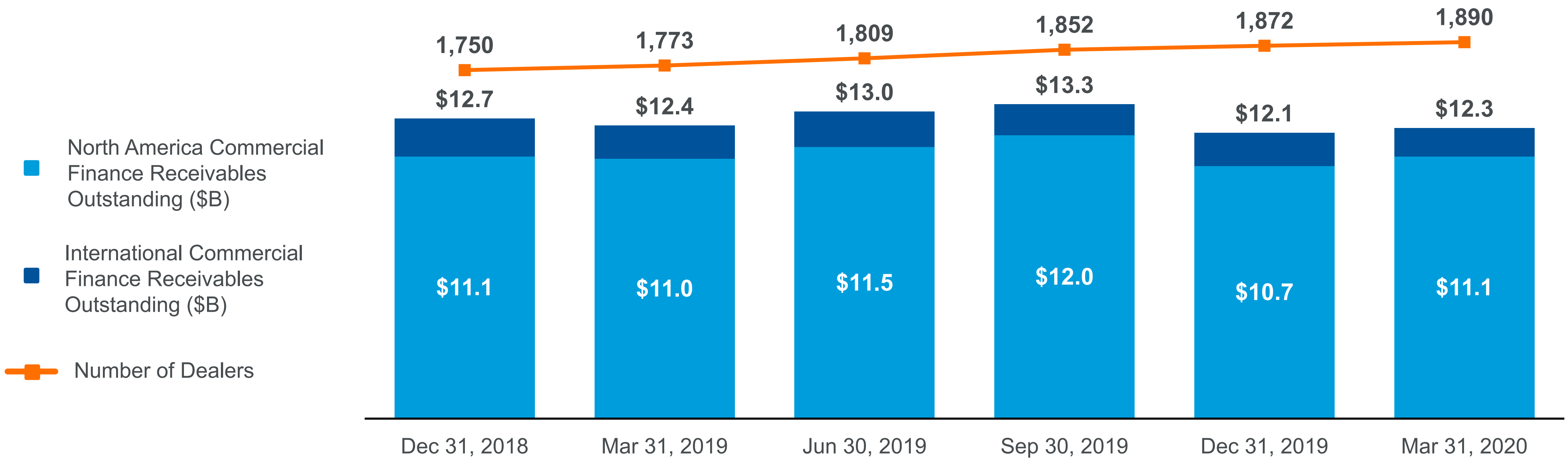
# Lease Impairment

| ($B) | March 31, 2020 |
|---|---|
| Future Lease Payments | $ 12.0 |
| Residual Value | 29.5 |
| Expected Future Cash Collections (A) | 41.5 |
| | |
| Leased vehicles, net | 41.3 |
| Less: Deferred Income | (3.5) |
| Net Book Value (B) | 37.8 |
| | |
| Excess/Cushion (A-B) | $ 3.7 |
| as % of Residual Value | 12.5% |

| GM Financial North America Scheduled Lease Termination Distribution | |
|---|---|
| CY 2020 | 22% |
| CY 2021 | 32% |
| CY 2022 | 34% |
| CY 2023 & Beyond | 12% |

- **Residual values are reviewed quarterly based upon updated marks provided by a third party research firm**
- **Reviews are performed quarterly for indicators of impairment and recoverability of leased vehicles by asset groups categorized by year, make and model**
  - Asset group recoverability is calculated as the excess of (1) the sum of remaining lease payments, plus estimated residual value, over (2) leased vehicles, net, less deferred income
- **No impairment as of March 31, 2020**
- **Overall economic cushion of $3.7B to absorb declines in used vehicle values over the remaining term of the leases**

# Commercial Lending




| | Dec 31, 2018 | Mar 31, 2019 | Jun 30, 2019 | Sep 30, 2019 | Dec 31, 2019 | Mar 31, 2020 |
|---|---|---|---|---|---|---|
| U.S. Floorplan Dealers | 1,116 | 1,151 | 1,190 | 1,238 | 1,262 | 1,290 |
| U.S. Wholesale Dealer Penetration | 25.2% | 26.0% | 27.0% | 28.1% | 28.8% | 29.4% |

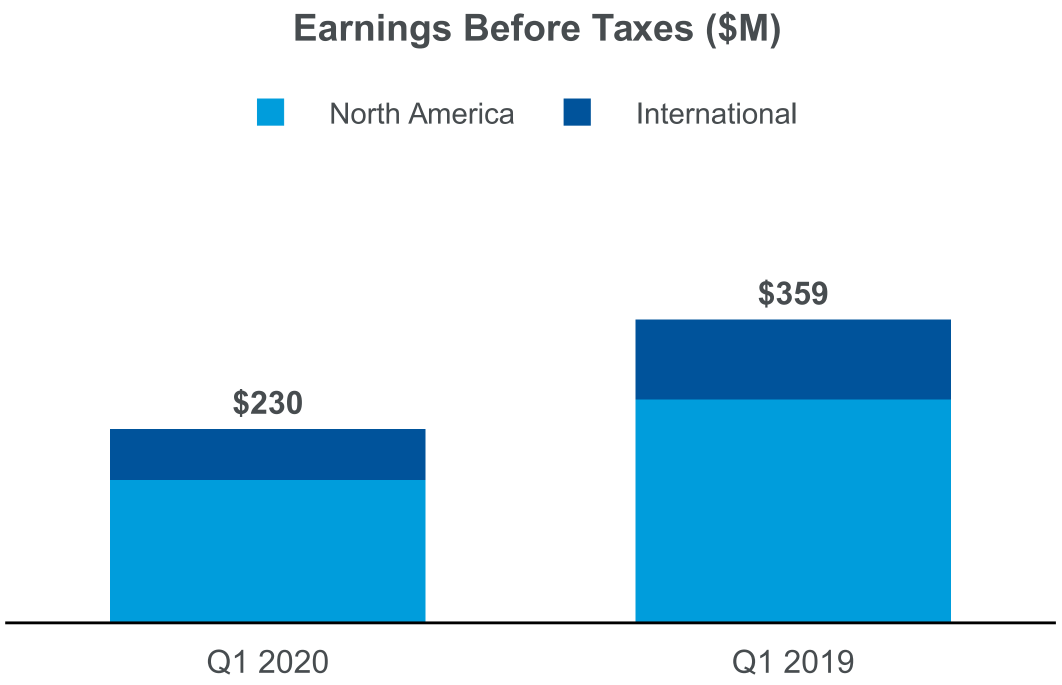
- **North America receivables increased as floorplan inventory built following 2019 GM work stoppage**
- **Dealer health challenged by current environment**
  - GM Financial partnered with SBA lenders to help dealer access to Paycheck Protection Program

# China Joint Ventures

| | Q1 2020 | Q4 2019 | Q1 2019 |
|---|---|---|---|
| Joint Ventures as a % of SGM Retail Sales | 54.5% | 47.4% | 44.4% |
| Joint Ventures as a % of SGMW Retail Sales | 34.1% | 26.0% | 16.4% |
| Retail Originations ($B) | $2.3 | $3.5 | $2.9 |
| | | | |
| Ending Earning Assets ($B) | | | |
| Retail | $14.1 | $14.6 | $13.6 |
| Commercial | $3.5 | $4.5 | $4.2 |
| | | | |
| Annualized Net Retail Charge-offs | 0.4% | 0.3% | 0.1% |
| | | | |
| GM Financial Equity Income ($M) | $25 | $40 | $45 |

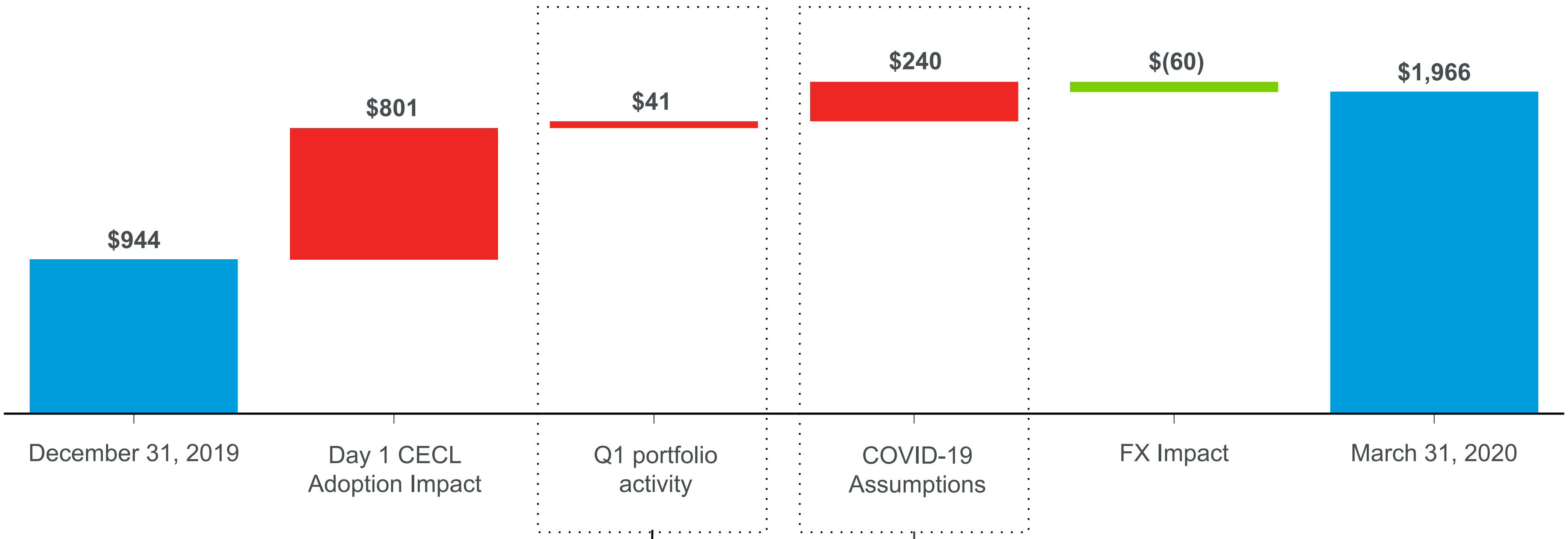
- **Q1 2020 equity income down due to impact of COVID-19 on origination volumes and credit performance**
  - Following a decline in February, origination volume up year-over-year in both March and April
  - Net retail charge-offs up but expected to normalize through the remainder of 2020
- **Ending earning assets down from year-end due to extended factory shutdown**
- **All employees have returned to office with enhanced safety protocols in place**

# Financial Results




- **For the three months ended March 31, 2020, earnings down due primarily to:**
  - Increased provision expense of $291 million from increase in expected charge-offs and decrease in expected recoveries as a result of economic impacts from COVID-19
  - Partially offset by increased net leased vehicle income of $71 million from higher portfolio yield and decreased interest expense of $112 million due to lower average debt outstanding and effective interest rates
- **Expect CY 2020 earnings to be lower than 2019 due to COVID-19 related negative impact on annual net charge-off rates and used vehicle prices**

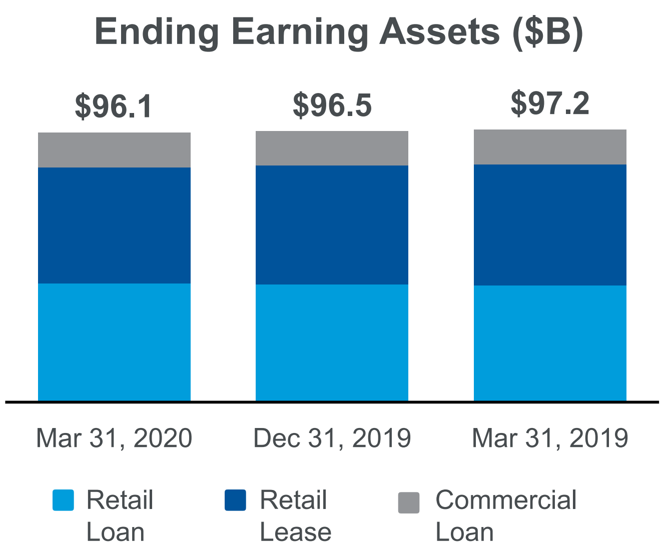
# Allowance for Loan Losses ($M)

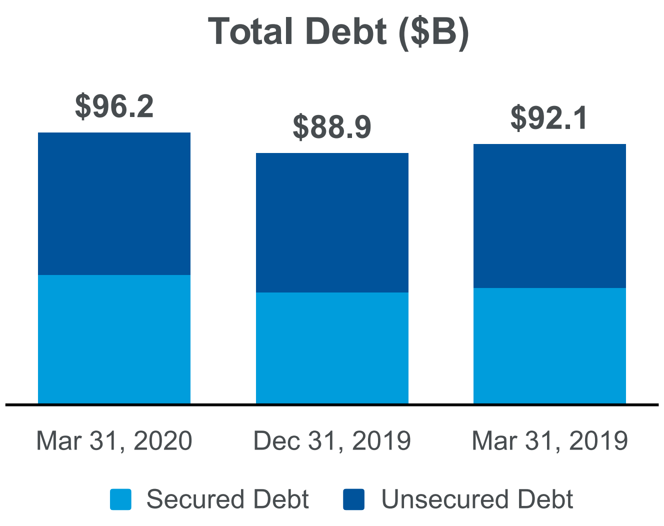


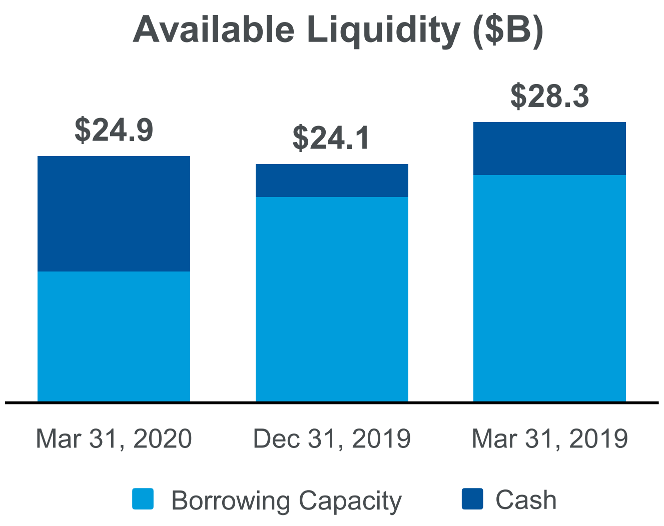

- Net impact of charge-offs, origination volume and credit mix

- Economic forecast assumptions associated with COVID-19
  - $228M to retail portfolio
  - $12M to commercial portfolio

# Solid Balance Sheet

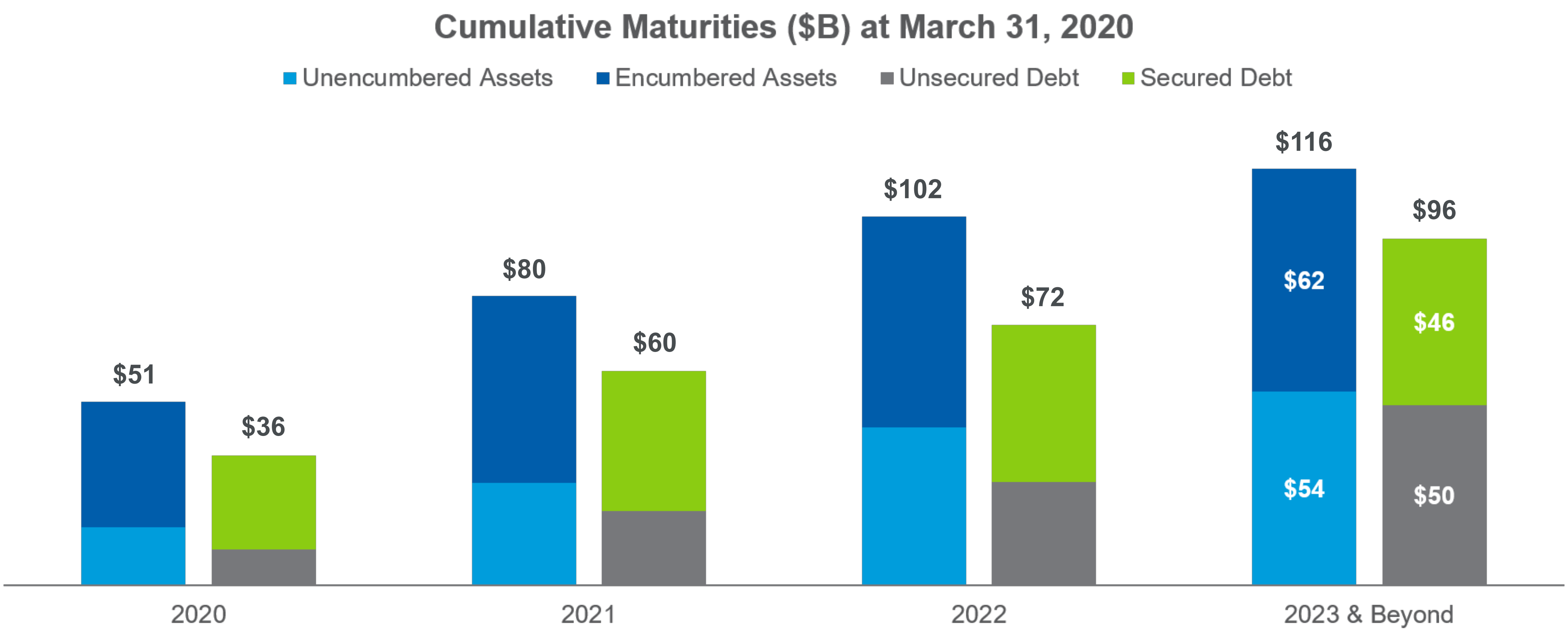


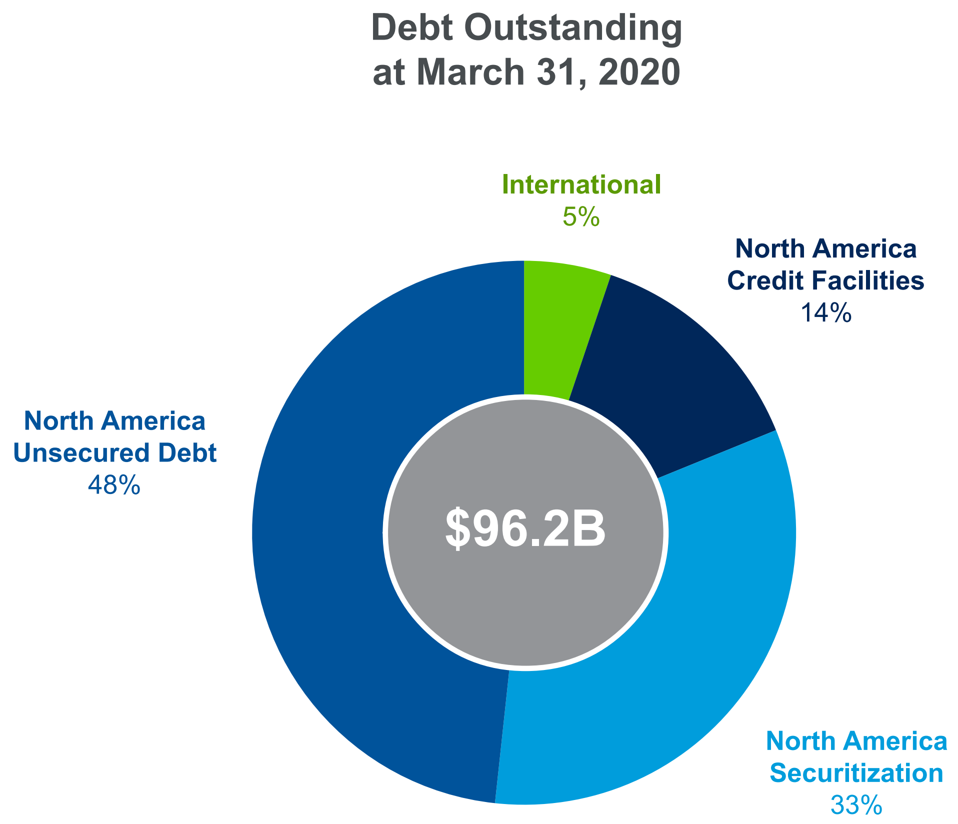

- **Composition of ending earning assets stable**
- **Total debt increased due to proactively increasing utilization of committed credit facilities to bolster cash position during COVID-19 pandemic**
  - Unsecured debt was 52% of total debt at March 31, 2020 compared to 55% at December 31, 2019 due to higher secured borrowings
- **Available liquidity at March 31, 2020 in line with target; composition of liquidity shifted to greater cash mix**

# Asset and Liability Profile



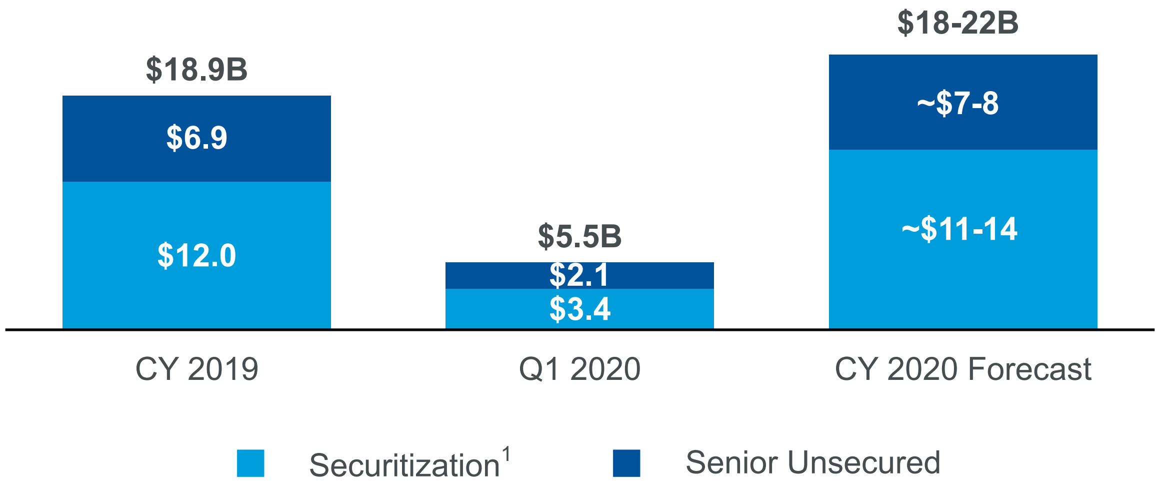

- **Assets liquidate faster than debt creating liquidity**

# Funding Activity




- **Credit facilities**
  - Committed credit facilities totaling $26.4B provided by 27 banks
- **Capital markets**
  - Public securitization funding in Q1 2020 totaled $3.4B
    - GMCAR 2020-1 (U.S. Prime Retail Loan) for $1.2B
    - GMALT 2020-1 (U.S. Lease) for $1.25B
    - AMCAR 2020-1 (U.S. Sub-prime Retail Loan) for $0.9B
  - Senior unsecured note issuance in Q1 2020 totaled $2.1B
    - $1.25B in the U.S. and €0.75B in Europe
- **Private amortizing securitizations**
  - Closed two U.S. transactions totaling $1.1B to support lease and prime loan platforms
- **Subsequent to quarter-end, issued $1.8B in secured debt**
  - Issued $0.8B prime ABS transaction (GMCAR 2020-2) without TALF support
  - Private amortizing securitizations supporting U.S. lease platform for $1.0B

# Public Debt Issuances

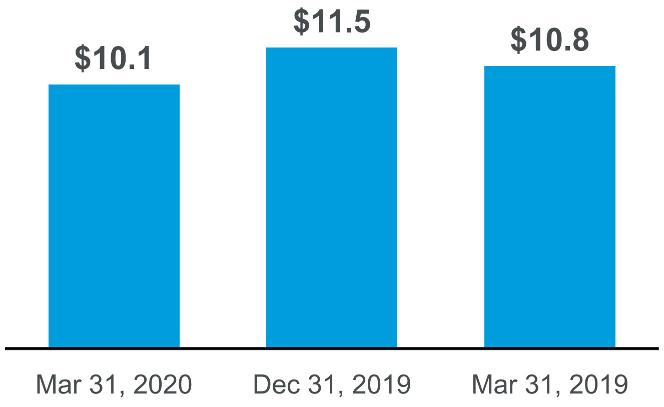



- **Maintain strategy of funding locally, with flexibility to issue globally to support U.S. funding needs and enhance investor diversification**
- **Securitization platforms segregated by asset type and geography**
  - AMCAR - U.S. Sub-prime Retail Loan
  - GMALT - U.S. Lease
  - GFORT - U.S. Floorplan
  - GCOLT - Canada Lease
  - GMCAR - U.S. Prime Retail Loan
- **Global senior notes platform funding operations in U.S., Canada and Latin America**
- **Remaining 2020 funding plan dependent on market conditions and pace of new asset originations**

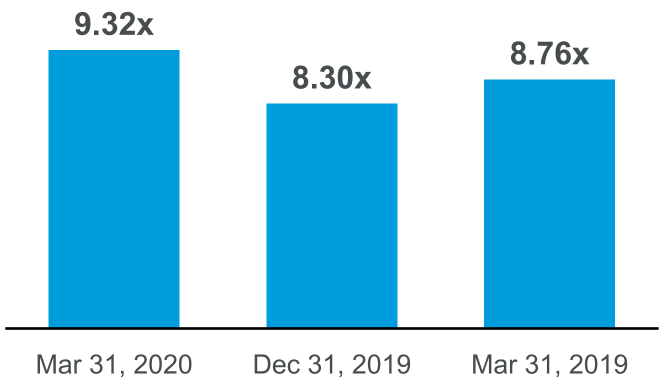
1. Includes Rule 144a transactions

# Strong Capital Position

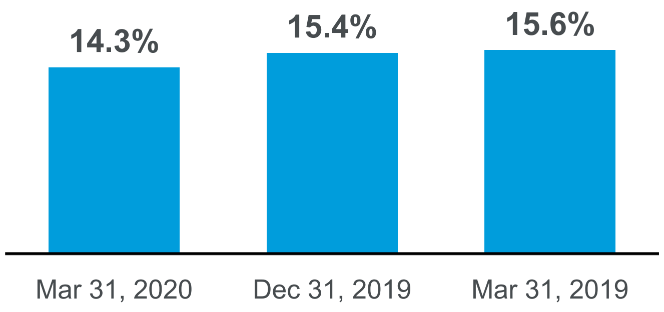
### Tangible Net Worth ($B)[1]




### Leverage Ratio[2]



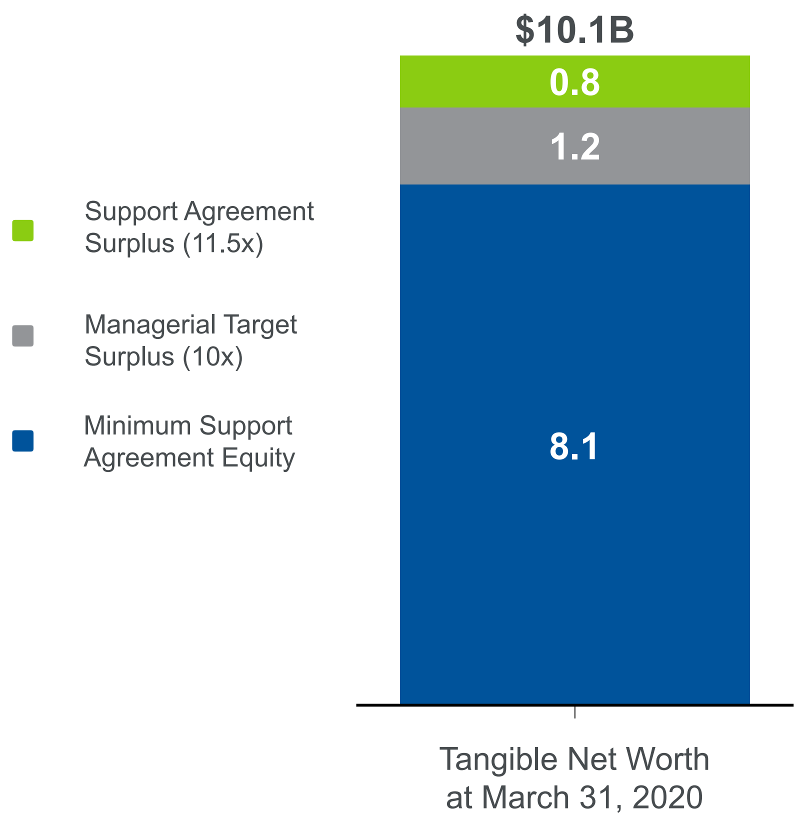

### Return on Average Tangible Common Equity[3]




- **Tangible net worth decreased from year-end driven primarily by:**
  - Adoption of CECL accounting standard ($643M)
  - Change in Other Comprehensive Loss ($543M)
  - Dividend payment to GM ($400M)
  - Offset by Q1 2020 earnings ($167M)
- **Leverage ratio remains below managerial target of 10x and Support Agreement threshold (11.5x at March 31, 2020)**
- **Return on average tangible common equity for the four quarters ended March 31, 2020 declined year-over-year due to higher effective tax rate driven by a reduction in electric vehicle tax credit**
- **Expect to pay additional $400M dividend 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.

# Capital Adequacy




- **$8.1B minimum capital required to support 11.5x leverage under GM Support Agreement**
- **~$2.0B excess capital to support a doubling of both net charge-offs and used vehicle price declines from current expectation without exceeding Support Agreement leverage ratio limit**

# Appendix

# GM Financial Return on Average Common Equity

| ($M) | Four Quarters Ended March 31, 2020 | Four Quarters Ended December 31, 2019 | Four Quarters Ended March 31, 2019 |
|---|---|---|---|
| Net income attributable to common shareholder | $ 1,373 | $ 1,477 | $ 1,397 |
| | | | |
| Average equity | 12,267 | 12,270 | 11,395 |
| Less: average preferred equity | (1,477) | (1,477) | (1,250) |
| Average common equity | 10,790 | 10,793 | 10,145 |
| Less: average goodwill | (1,183) | (1,186) | (1,189) |
| Average tangible common equity | $ 9,607 | $ 9,607 | $ 8,956 |
| | | | |
| Return on average common equity | 12.7% | 13.7% | 13.8% |
| Return on average tangible common equity[1] | 14.3% | 15.4% | 15.6% |

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

GM FINANCIAL

For more information, visit **gmfinancial.com**

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