

## **Ally Returns To Profit In 4Q As Auto Loans Grow**

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The Associated Press

NEW YORK (AP) — Ally Financial Inc. said Tuesday it posted fourth-quarter net income of \$1.45 billion, reversing a year-ago loss, helped by a tax benefit and growth in auto financing.

Ally, the former finance arm of automaker General Motors, now operates as an auto finance company and bank. It remains government-owned after a bailout. The company has sold, or is considering selling, overseas operations and businesses related to housing to generate cash to pay back its government loans.

In the October-December quarter of 2011, Ally posted a loss of \$206 million, including \$339 million in losses related to its mortgage lending and servicing division Residential Capital LLC. ResCap filed for bankruptcy protection in May, and Ally is selling off its assets and aiming for it to leave bankruptcy protection in April.

The company said it will have paid \$5.9 billion back to the U.S. Treasury as of Feb. 15. The Detroit company received a \$17.2 billion government bailout, which resulted in a 74 percent equity stake, plus \$5.9 billion worth of preferred stock.

The recent quarter's results included a tax benefit of \$1.38 billion as well as costs related to pensions, the ResCap bankruptcy and other items. Excluding those, profit from continuing operations came to \$308 million, compared with \$179 million the year before.

The bulk of the company's profit came from its automotive finance division where income jumped 30 percent to \$371 million. Income from mortgage operations, excluding ResCap, was flat at \$100 million, while the insurance division's profit dropped by two-thirds to \$27 million.

Ally Bank deposits increased 27 percent to \$35 billion.

For the full year, Ally said it earned \$1.24 billion compared with a loss of \$157 million in 2011.

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