Bolsa Mexicana de Valores S.A.B. de C.V.
Dirección General de Vigilancia y Desarrollo de Mercado
Paseo de la Reforma No. 225 Planta Baja
Col. Cuauhtémoc
06500 Ciudad de México, México

Reporte Anual que se presenta conforme a las Disposiciones de Carácter General Aplicables a las Emisoras de Valores y Otros Participantes del Mercado de Valores, correspondientes al ejercicio fiscal terminado el 31 de diciembre de 2016

Nombre del Emisor: GM Financial de México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada.

Domicilio: Ave. Eugenio Garza Lagüera N°933, Planta Baja, Colonia Valle Oriente, C.P. 66269, San Pedro Garza García, Nuevo León.

Clave de Cotización: GMFIN

GM Financial de México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada, mantiene un Programa de Certificados Bursátiles de Corto y Largo con Carácter Revolvente, autorizado por la Comisión Nacional Bancaria y de Valores mediante oficio 153/106060/2016 de fecha 27 de octubre de 2016, hasta por un monto de $7,000’000,000.00 (Siete mil millones de pesos 00/100 M.N.) o su equivalente en unidades de inversión, con inscripción en el Registro Nacional de Valores número 2680-4.19-2016-001.

La inscripción en el Registro Nacional de Valores no implica certificación sobre la bondad de los valores, la solvencia del Emisor o sobre la exactitud o veracidad de la información contenida en este Reporte Anual, ni convalida los actos que, en su caso, hubieren sido realizados en contravención de las Leyes.

Información referente a los Certificados Bursátiles vigentes en circulación emitidos por GM Financial de México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada:

Clave de Pizarra	Tipo de Valor	Monto Emitido (M.N.)	Número de Certificados Bursátiles	Fecha de Emisión	Fecha de Vencimiento	Plazo (días)
GMFIN 04416	Certificados Bursátiles de Corto Plazo	$500,000,000.00	5,000,000	24 de noviembre de 2016	12 de enero de 2017	49
GMFIN 04516	Certificados Bursátiles de Corto Plazo	$230,000,000.00	2,300,000	01 de diciembre de 2016	19 de enero de 2017	49
GMFIN 04616	Certificados Bursátiles de Corto Plazo	$450,000,000.00	4,500,000	08 de diciembre de 2016	26 de enero de 2017	49

Características comunes de las emisiones de Corto Plazo:

FORMA DE CÁLCULO DE LOS INTERESES

A partir de su Fecha de Emisión, y en tanto no sean amortizados, los Certificados Bursátiles devengarán un interés bruto anual fijo sobre su valor nominal, que el Representante Común calculará 2 Días Hábiles previos al inicio del Período de Intereses, para lo cual el Representante Común deberá considerar una tasa de interés bruto anual de [•] % (la "Tasa de Interés Bruto Anual"), la cual se mantendrá fija durante la vigencia de la Emisión.

El interés que devengarán los Certificados Bursátiles se computará a partir de su Fecha de Emisión o al inicio de cada Período de Intereses, según sea el caso y los cálculos para determinar la tasa y el monto de los intereses a pagar deberán comprender los días naturales efectivamente transcurridos hasta la fecha de pago de intereses, o, en caso de que dicha fecha no sea un Día Hábil, el Día Hábil inmediato siguiente. Los cálculos se efectuarán cerrándose a centésimas.

Para determinar el monto de intereses pagaderos de los Certificados Bursátiles, se utilizará la siguiente fórmula:

$$I = VN\left(\frac{TB}{36{,}000} \times NDE\right)$$

En donde:

I = Interés bruto de la Emisión.
VN = Valor nominal total de los Certificados Bursátiles en circulación.
TB = Tasa de Interés Bruto Anual.
NDE = Número de días efectivamente transcurridos de la Emisión.

El Representante Común, dará a conocer por escrito a la CNBV y a Indeval (o a través de los medios que determinen) con por lo menos 2 Días Hábiles de anticipación a la Fecha de Vencimiento, el importe de los intereses a pagar y la Tasa de Interés Bruto Anual aplicable respecto de los Certificados Bursátiles. Asimismo, dará a conocer a la BMV a través del SEDI (o el medio que esta determine), el importe de intereses a pagar y la Tasa de Interés Bruto Anual aplicable respecto de los Certificados Bursátiles con por lo menos 2 Días Hábiles de anticipación a la fecha de pago.

Los Certificados Bursátiles dejarán de devengar intereses a partir de la fecha señalada para su pago, siempre que el Emisor hubiere constituido el depósito del importe de la amortización y, en su caso, de los intereses correspondientes, en las oficinas de Indeval, a más tardar a las 11:00 a.m. de ese día.

En los términos del artículo 282 de la Ley del Mercado de Valores, el Emisor determina que el título no lleve cupones adheridos, haciendo las veces de éstos, para todos los efectos legales, las constancias que expida Indeval.

PERIODICIDAD EN EL PAGO DE INTERESES

Los intereses que devenguen los Certificados Bursátiles se liquidarán al vencimiento (el "Período de Intereses"), o, si fuera inhábil, el siguiente Día Hábil, durante la vigencia de la Emisión, contra la entrega de las constancias que Indeval haya expedido

LUGAR Y FORMA DE PAGO DE INTERESES Y PRINCIPAL

El principal y los intereses ordinarios devengados por los Certificados Bursátiles se pagarán mediante transferencia electrónica de fondos el día de su vencimiento y en cada una de las fechas de pago de interés, respectivamente, en las oficinas de Indeval, ubicadas en Avenida Paseo de la Reforma número 255, 3er piso, Col. Cuauhtémoc, C.P. 06500, México, contra la entrega de las constancias, o el presente título, según corresponda, y al efecto expedidas por dicha depositaria. Indeval distribuirá estos fondos, a través de transferencia electrónica, a los intermediarios correspondientes.

AMORTIZACIÓN

Los Certificados Bursátiles serán amortizados a su valor nominal mediante transferencia electrónica, en la Fecha de Vencimiento, o si fuere inhábil, el Día Hábil siguiente.

AMORTIZACIÓN ANTICIPADA TOTAL

El Emisor tendrá el derecho de pagar anticipadamente los Certificados Bursátiles en cualquier momento durante la emisión, en cuyo caso, pagará a los Tenedores una Prima sobre el valor nominal de los Certificados Bursátiles, la cual será equivalente a [•] % (la "prima").

Para tales efectos, el Emisor publicará, con cuando menos 6 Días Hábiles de anticipación a la fecha en que pretenda amortizar anticipadamente los Certificados Bursátiles, el aviso respectivo en la sección "Empresas Emisoras" en el apartado "Eventos Relevantes" a través de EMISNET. Dicho aviso contendrá, como mínimo, la fecha en que se hará el pago anticipado y el importe de la prima a pagar. Adicionalmente, el Emisor entregará este aviso por escrito, con la misma anticipación, al Representante Común, a la CNBV, a Indeval y a la BMV, a través de los medios que esta última determine, incluido el EMISNET.

GARANTÍAS

La Garantía GMF

Los Certificados Bursátiles cuentan con una garantía irrevocable e incondicional otorgada por General Motors Financial Company, Inc. (el "Garante GMF"), la cual estará a disposición de los Tenedores (la "Garantía GMF") a través del Representante Común.

La Garantía GMF se ha otorgado mediante un documento llamado guarantee, el cual está regido por la ley del Estado de Nueva York, E.U.A., sin tomar en cuenta los principios de conflicto de leyes de dicho estado. Las Cortes del Estado de Nueva York y la Corte de Distrito ubicada en el Municipio de Manhattan, en la Ciudad de Nueva York tendrán jurisdicción para resolver cualquier acción o procedimiento legal que surja en relación con la Garantía GMF y de conformidad con lo anterior, cualquier procedimiento debe presentarse únicamente ante dichas cortes. Ante el incumplimiento en el pago de principal o intereses al amparo de los Certificados Bursátiles por parte del Emisor, el procedimiento para la ejecución de la Garantía GMF en contra del Garante GMF deberá realizarse en la vía judicial, mediante la presentación por parte del Representante Común de una demanda ante un tribunal competente, el cual puede ser cualquier tribunal local o federal ubicado en el distrito de Manhattan en la Ciudad de Nueva York, Estados Unidos de América.

En caso de que no haya ocurrido el "Termination Date" conforme a la garantía irrevocable otorgada por AmeriCredit Financial Services, Inc.

La Garantía AmeriCredit

Antes de que ocurra la "Fecha de Terminación" ("Termination Date") (según dicho término se define en la Garantía AmeriCredit y se describe en el suplemento) los Certificados Bursátiles cuentan con una garantía otorgada por AmeriCredit Financial Services, Inc. ("AmeriCredit"), a la que nos referimos en este título como la "Garantía AmeriCredit", misma que estará a disposición de los Tenedores a través del Representante Común. La Garantía AmeriCredit se encuentra sujeta a las disposiciones de terminación automática descritas en la Garantía AmeriCredit.

AmeriCredit ha otorgado la Garantía AmeriCredit mediante un documento llamado guarantee, el cual estará regido por la ley del Estado de Nueva York, E.U.A., sin tomar en cuenta los principios de conflicto de leyes de dicho estado. Las Cortes del Estado de Nueva York y la Corte de Distrito ubicada en el Municipio de Manhattan, en la Ciudad de Nueva York tendrán jurisdicción para resolver cualquier acción o procedimiento legal que surja en relación con la Garantía AmeriCredit y de conformidad con lo anterior, cualquier procedimiento debe presentarse únicamente ante dichas cortes. Ante el incumplimiento en el pago de principal o intereses al amparo de los Certificados Bursátiles por parte del Emisor, cualquier procedimiento para la ejecución de la Garantía AmeriCredit en contra de AmeriCredit deberá realizarse en la vía judicial, mediante la presentación por parte del Representante Común de una demanda ante un tribunal competente, el cual puede ser cualquier tribunal local o federal ubicado en el distrito de Manhattan en la Ciudad de Nueva York , Estados Unidos de América.

La Garantía AmeriCredit se dará por terminada de forma automática e incondicional de conformidad con las disposiciones contenidas en la sección "TERMINATION" de la misma, las cuales disponen los supuestos en que AmeriCredit quedará liberada de forma permanente de todas sus obligaciones bajo la Garantía AmeriCredit en relación con los Certificados Bursátiles. Dicha sección "TERMINATION" dispone, entre otros, que las obligaciones del Garante AmeriCredit se darán por terminadas automáticamente, y dicho Garante AmeriCredit quedará liberado de forma permanente de todas sus obligaciones bajo dicha Garantía AmeriCredit en relación con los Certificados Bursátiles amparados por este título, a partir de la fecha en que ocurra cualquiera de los siguientes eventos, los cuales podrán ocurrir antes de la Fecha de Vencimiento que se establece en el presente título:

(a) un Evento de Terminación de Garantía (Guarantee Termination Event, según se define en la Garantía AmeriCredit); o

(b) una venta u otra enajenación de todos o sustancialmente todos los activos del Garante (Guarantor, según se define en la Garantía AmeriCredit), mediante fusión, consolidación o por algún otro medio, o una venta u otra enajenación de todo el capital social del Garante (Guarantor, según se define en la Garantía AmeriCredit), en cada caso, que resulte en que Garante (Guarantor, según se define en la Garantía AmeriCredit) deje de ser una Subsidiaria Restringida

(Restricted Subsidiary, según se define en la Garantía AmeriCredit) del Garante GMF.

CALIFICACIONES

Calificación Otorgada por Fitch México S.A. de C.V.

Calificación en escala nacional de corto plazo en F1+ (mex). Indica las más sólida capacidad de cumplimiento oportuno de los compromisos financieros respecto de otras empresas domésticas. Bajo la escala de calificaciones domésticas de Fitch México, esta categoría se asigna a aquellas empresas con la mejor calidad crediticia respecto de otras en el país. Cuando las características de la empresa son particularmente sólidas, se agrega un signo "+" a la categoría.

Calificación Otorgada por Standard & Poor's S.A. de C.V.

Calificación en escala nacional –CaVal- de corto plazo en mxA-1+. La categoría más alta en la escala nacional de Standard & Poor's para México. La capacidad del emisor para cumplir sus compromisos sobre la obligación, es fuerte en comparación con otros emisores en el mercado nacional. Dentro de esta categoría, agregaremos un signo de (+) a la calificación de algunas obligaciones para indicar la capacidad del emisor para cumplir sus compromisos financieros sobre dichas obligaciones es extremadamente fuerte, en comparación con otros emisores en el mercado nacional.

REPRESENTANTE COMÚN

Monex Casa de Bolsa S.A. de C.V., Monex Grupo Financiero.

DEPOSITARIO

S.D. INDEVAL Institución para el Depósito de Valores S.A. de C.V.

RÉGIMEN FISCAL

La tasa de retención aplicable a los intereses pagados se encuentra sujeta a: (i) para las personas físicas y personas morales residentes en México a lo previsto en los artículos 8, 54, 133 y 135 de la Ley del Impuesto Sobre la Renta ("LISR") vigente y el artículo 21 de la Ley de Ingresos de la Federación para el ejercicio fiscal de 2016, así como la Resolución Miscelánea Fiscal vigente; y (ii) para personas físicas y morales residentes en el extranjero, a lo previsto en los artículos 153, 166 y demás aplicables de la LISR vigente. Para efectos del impuesto al valor agregado, el régimen fiscal está contenido en los artículos 1, 14, 15, fracción X, inciso i), 16, primer párrafo, 24, fracción V y 25, fracción III de la Ley del Impuesto al Valor Agregado. El régimen fiscal vigente podrá modificarse a lo largo de la vigencia del Programa, particularmente lo dispuesto por el artículo 21 de la Ley de Ingresos de la Federación para el ejercicio fiscal de 2016 y la Resolución Miscelánea Fiscal, los cuales tienen una vigencia temporal.

Por el hecho de adquirir Certificados Bursátiles emitidos al amparo del Programa, el Tenedor declara y garantiza que no es una "Persona de los Estados Unidos de América" (diferente al sujeto exento descrito en la sección 6049 (b)(4) del "Internal Revenue Code" y sus regulaciones) y que no está actuando para o a beneficio de una "Persona de los Estados Unidos de América" (diferente al sujeto exento descrito en la sección 6049 (b)(4) del "Internal Revenue Code" y sus regulaciones).

CONTENIDO

I. INFORMACIÓN GENERAL

1. Glosario de Términos y Definiciones

Los términos que se utilizan en este reporte anual con mayúscula inicial y que se relacionan a continuación, tendrán los significados siguientes, que serán igualmente aplicables a las formas singular o plural de dichos términos:

"AMDA" significa, la Asociación Mexicana de Distribuidores de Automotores.

"AmeriCredit" o "AFSI" significa, AmeriCredit Financial Services, Inc.

"AMIA" significa, la Asociación Mexicana de la Industria Automotriz A.C.

"Auditores Externos" significa, de forma conjunta Galaz, Yamazaki, Ruiz y Urquiza, S.C., miembro de Deloitte Touche Tohmatsu Limited, respecto del Emisor, y Deloitte & Touche LLP respecto del Garante GMF.

"Aviso" significa, el aviso de colocación, el aviso de oferta pública o el aviso de convocatoria pública a subasta, según resulte aplicable para cada caso, el cual será publicado la página de Internet de la BMV (EMISNET), en los cuales se detallarán los resultados y/o principales características de cada emisión de Certificados Bursátiles realizada al amparo del Programa.

"BMV" significa, la Bolsa Mexicana de Valores, S.A.B. de C.V.

"Certificados Bursátiles" significa, los títulos de crédito denominados certificados bursátiles, de corto o largo plazo, que pueden ser emitidos por el Emisor al amparo del Programa.

"Certificados Bursátiles de Corto Plazo" significa, los Certificados Bursátiles que se emitan con un plazo mínimo de 1 día y un plazo máximo de 365 días.

"Certificados Bursátiles de Largo Plazo" significa, los Certificados Bursátiles que se emitan con un plazo mínimo de 1 año y un plazo máximo de 30 años.

"Cetes" significa, los Certificados de la Tesorería de la Federación.

"CNBV" significa, la Comisión Nacional Bancaria y de Valores.

"Compradores" significa, las personas físicas y morales que adquieren vehículos automotores de la marca General Motors, y de otras marcas, a través de los Distribuidores.

"Código" significa, el Código de Ingresos Internos de Estados Unidos de 1986 (*U.S. Internal Renevue Code of 1986).*

"Convocatoria" significa, el aviso publicado en la página de internet de la BMV (EMISNET), conforme al cual se invita a inversionistas potenciales a participar en el proceso de subasta de Certificados Bursátiles y en el que se detallan las principales características de dichos Certificados Bursátiles.

"Día Hábil" significa cualquier día, que no sea sábado, domingo o día feriado por ley, en el que las instituciones de banca múltiple deban mantener sus oficinas abiertas para celebrar operaciones con el público, conforme al calendario que publique periódicamente la CNBV.

"Distribuidor" significa cualquier sociedad, entidad u otra persona residente en México que se dedique, de forma habitual y profesional, al negocio de compra y venta de vehículos de cualquier fabricante, ensamblador o distribuidor en el curso ordinario de su negocio, incluyendo a fabricantes, ensambladores, distribuidores y clientes finales, y que tengan una relación comercial con GMF México.

“Emisión de Corto Plazo” significa, cualquier emisión al amparo del Programa con un plazo mínimo de 1 día y un plazo máximo de 365 días.

“Emisión de Largo Plazo” significa, cualquier emisión al amparo del Programa con un plazo mínimo de 1 año y un plazo máximo de 30 años.

“Emisor”, la “Compañía”, o “GMF México” significa, GM Financial de México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada.

“Estados Unidos” o “E.U.A.” significa, los Estados Unidos de América.

“Garante GMF” significa, General Motors Financial Company, Inc., una sociedad constituida conforme a las leyes del Estado de Texas, Estados Unidos.

“Garante Subsidiario” significa, en su caso, la sociedad que otorgue una Garantía Subsidiaria.

“Garantes” significa, el Garante GMF, AmeriCredit y, en su caso, cualesquier Garantes Subsidiarios.

“Garantía AmeriCredit” o “Garantía AFSI” significa, la garantía otorgada por AmeriCredit respecto de los Certificados Bursátiles, según la misma sea modificada o adicionada de tiempo en tiempo.

“Garantía GMF” significa, la garantía irrevocable e incondicional otorgada por el Garante GMF.

“Garantía Subsidiaria” significa, en su caso, la garantía otorgada por un Garante Subsidiario.

“Garantías” significa, la Garantía GMF, la Garantía AmeriCredit, y cualquier Garantía Subsidiaria.

“General Motors” o “GM” significa, General Motors Company.

“Grupo” significa, el Garante GMF junto con sus subsidiarias.

“Indeval” significa, la S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V.

“INPC” significa, el Índice Nacional de Precios al Consumidor que publique periódicamente el Instituto Nacional de Estadística y Geografía en el Diario Oficial de la Federación o cualquier índice que lo suceda.

“Intermediarios Colocadores” significa, conjuntamente, Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat y Acciones y Valores Banamex, S.A. de C.V., Casa de Bolsa, Integrante del Grupo Financiero Banamex.

“Jato Dynamics” significa, el proveedor global de inteligencia de negocios del sector automotriz, cuya información puede consultarse en la siguiente dirección de internet: www.jato.com.

“LGOAAC” significa, la Ley General de Organizaciones y Actividades Auxiliares del Crédito.

“LGTOC” significa, la Ley General de Títulos y Operaciones de Crédito.

“México” significa, los Estados Unidos Mexicanos.

“Monto Total Autorizado del Programa” significa, $7,000,000,000.00 M.N. pesos o su equivalente en UDIs, el cual tiene carácter de revolvente.

“NIF” significa, las Normas de Información Financiera Mexicanas que reconozca y sean emitidas por el Consejo Mexicano de Normas de Información Financiera, A.C.

“Oficial de Cumplimiento”, es el funcionario designado por el Consejo de Administración de GM Financial, responsable de vigilar la adecuada implementación y funcionamiento del Sistema de Prevención de Operaciones con Recursos de Procedencia Ilícita y Financiamiento del Terrorismo al interior de GM Financial.

“PIB” significa, Producto Interno Bruto de México.

“Plan Piso” significa el programa de financiamiento mediante el cual el Emisor otorga financiamientos al mayoreo a los Distribuidores para que dichos Distribuidores adquieran vehículos nuevos y usados de cualquier marca, incluyendo la marca General Motors, así como para capital de trabajo.

“Programa” o “Programa Revolvente” significa, el Programa Revolvente de Certificados Bursátiles, al amparo del cual el Emisor podrá emitir Certificados Bursátiles de Corto Plazo y/o Certificados Bursátiles de Largo Plazo, autorizado por la CNBV mediante oficio No. 153/106060/2016, de fecha 27 de octubre de 2016.

“Representante Común” significa, Monex Casa de Bolsa S.A. de C.V., Monex Grupo Financiero, o cualquier otra entidad que sea designada como tal para cualquier emisión y que se señale en el Aviso o en el Suplemento correspondiente, según sea el caso.

“Reporte Anual” significa el presente Reporte Anual del Programa de Certificados Bursátiles de Corto y Largo Plazo con Carácter Revolvente, por el periodo terminado al 31 de diciembre de 2016 del Emisor, preparado de conformidad con las Disposiciones de Carácter General Aplicables a las Emisoras de Valores y Otros Participantes del Mercado de Valores de la CNBV.

“RNV” significa, el Registro Nacional de Valores.

"*Regulation S* del *Securities Act of 1993*" significa, la *Regulation S* del *Securities Act*.

“SEC” significa, la *Securities and Exchange Commission*, de los Estados Unidos de América.

"*Securities Act of 1933*" significa, la ley que regula la oferta inicial de valores en los mercados en los Estados Unidos de América, que en conjunto con la *Securities and Exchange Act of 1934,* que regula el mercado secundario de valores, y la *Investment Company Act of 1940,* que regula las sociedades de inversión, son el equivalente a la Ley del Mercado de Valores de México.

“SHCP” significa, la Secretaría de Hacienda y Crédito Público.

“Sofom” o “Sofomes” significan, sociedades financieras de objeto múltiple.

“Sofom ER” significa, una sociedad financiera de objeto múltiple, entidad regulada.

“Suplemento” significa, cualquier suplemento al Programa que se prepare con relación a, y que contenga las características correspondientes a, una Emisión de Largo Plazo al amparo del Programa.

“Tenedores” significan, los tenedores de los Certificados Bursátiles.

“TIIE” significa, la Tasa de Interés Interbancaria de Equilibrio que publique periódicamente el Banco de México en el Diario Oficial de la Federación o cualquier tasa que la suceda o sustituya.

“UDIs” significa, las Unidades de Inversión cuyo valor en pesos se publica por el Banco de México en el Diario Oficial de la Federación.

2. Resumen Ejecutivo

A continuación se incluye un resumen de la información general contenida en el presente reporte anual respecto a GMF México. Este resumen presenta una perspectiva general acerca del mismo, sin embargo dicho resumen no incluye toda la información relevante que debe tomarse en cuenta para que los inversionistas interesados puedan tomar una decisión de inversión con respecto a los Certificados Bursátiles. Se le recomienda al público inversionista leer cuidadosamente y en todo su contenido este Reporte Anual y, en particular, la información presentada en la sección "*3. Factores de Riesgo*", la que deberá ser leída de manera minuciosa por los potenciales inversionistas con el fin de tomar conciencia de los posibles eventos que pudieran afectar al Emisor y a los Certificados Bursátiles, así como a los demás riesgos de la emisión.

2.1. Nuestro Negocio

Somos una sociedad anónima de capital variable, sociedad financiera de objeto múltiple, entidad regulada, cuya actividad primordial consiste en otorgar financiamiento para la adquisición de autos nuevos y usados de la marca General Motors, tanto a Distribuidores como al público en general. Somos una subsidiaria indirecta de General Motors, una de las empresas automotrices con mayor número de ventas de vehículos a nivel mundial. General Motors, sus subsidiarias y socios producen y comercializan una amplia gama de vehículos en más de 120 países.

El 1 de octubre de 2010, General Motors Holdings LLC, una sociedad de responsabilidad limitada constituida en el estado de Delaware y subsidiaria, en su totalidad, de General Motors, completó la adquisición de AmeriCredit Corp., por USD$3,500 millones de dólares. Después de dicha adquisición, el nombre de AmeriCredit Corp., fue cambiado a General Motors Financial Company, Inc.

Al 31 de diciembre de 2016, presentamos un crecimiento de aproximadamente 50.2% en nuestra cartera total de crédito comparado con el año anterior al 31 de diciembre de 2015. El índice de morosidad para el mismo periodo comparable paso de aproximadamente 0.88% al 31 de diciembre de 2015 a 1.00% al 31 de diciembre de 2016.

En 2014 y 2015, tuvimos una utilidad neta equivalente a aproximadamente $729 millones de pesos y $753 millones de pesos respectivamente, mientras que durante el 2016, presentamos una utilidad neta de aproximadamente $1,063 millones de pesos. Al 31 de diciembre de 2016, nuestros activos totales ascendieron a aproximadamente $61,017 millones de pesos, mientras que nuestros pasivos totales representaban aproximadamente $53,035 millones de pesos, con un capital contable igual a aproximadamente $7,982 millones de pesos.

Nuestra cartera de crédito vencida se integra de créditos de consumo y comerciales en moneda nacional con pagos periódicos parciales de principal e intereses que presentan 90 o más días vencidos. Al 31 de diciembre de 2016, la cartera vencida representaba aproximadamente el 1.00% de la cartera total, dividida con una cartera de consumo y cartera comercial por aproximadamente $472.5 millones de pesos y aproximadamente $64.5 millones de pesos respectivamente.

El objetivo general del Garante GMF es proporcionar apoyo para la venta de vehículos de la marca GM mientras logra retornos apropiados y ajustados al riesgo. Nuestra estrategia está basada en el objetivo general del Garante GMF.

Nuestras operaciones se concentran principalmente en los siguientes segmentos:

I. Crédito de Consumo. Otorgamos financiamiento a personas morales y físicas que quieran adquirir unidades nuevas o usadas de la marca General Motors o de otras marcas, mediante un esquema variado de alternativas de financiamiento que buscan cubrir todos los segmentos de mercado.

II. Crédito Comercial. En esta área de negocio se encuentran todos los financiamientos que otorgamos a través del Plan Piso y de préstamos de capital de trabajo a los Distribuidores. Con el financiamiento de Plan Piso, brindamos la oportunidad a los Distribuidores de adquirir unidades nuevas de las plantas armadoras y unidades usadas de terceros con el objeto de poder llevar a cabo su posterior comercialización, promoción y distribución.

3. Factores de Riesgo

Al considerar la adquisición de los Certificados Bursátiles, los potenciales inversionistas deben tomar en consideración, examinar y evaluar cuidadosamente toda la información contenida en este Reporte Anual y, en especial, los factores de riesgo que se mencionan a continuación. De materializarse los riesgos descritos a continuación, nuestros negocios, resultados operativos, situación financiera y perspectivas de negocio podrían verse afectadas, así como nuestra capacidad para pagar los Certificados Bursátiles y reducir el precio o la liquidez de los mismos. Además, cabe la posibilidad que nuestros negocios, resultados operativos, situación financiera y perspectivas de negocio se vean afectadas por otros riesgos que al momento desconocemos o que actualmente no consideramos significativos.

Cualesquier riesgos adicionales a los que los Certificados Bursátiles de Largo Plazo, en su caso, estén expuestos, serán descritos en el Suplemento correspondiente.

Los riesgos descritos a continuación pretenden destacar aquellos que son específicos de nuestra empresa, pero que de ninguna manera deben considerarse como los únicos riesgos que el público inversionista pudiera llegar a enfrentar. Estos riesgos e incertidumbres, incluyendo aquellos que en lo general afecten a la industria en la que operamos, o aquellos riesgos que consideramos, al momento, no son importantes, también pueden llegar a afectar nuestros negocios, resultados operativos, situación financiera y perspectivas de negocio.

3.1. Relacionados con nuestra empresa y sus actividades

Nuestros ingresos dependen de la venta de vehículos automotores por parte de General Motors en México

El monto promedio financiado en cada crédito otorgado por nuestra empresa a los consumidores finales, para la adquisición de vehículos automotores, al 31 de diciembre de 2016, es de aproximadamente $188,000.00. Al cierre de 2016, la participación del financiamiento del Emisor representaba aproximadamente el 56.3% de las ventas de General Motors en México.

La participación acumulada de General Motors en el mercado automotriz mexicano fue de aproximadamente 18.8% al 31 de diciembre de 2016 (308,624 vehículos automotores vendidos) en comparación con 18.5% al 31 de diciembre de 2015, (256,150 vehículos automotores vendidos). Cualquier disminución significativa en las ventas de General Motors en México podría tener un efecto materialmente adverso en nuestro crecimiento, posición financiera, liquidez o en nuestros resultados operativos.

No podemos asegurar que el mercado automotriz global o la porción de GM de dicho mercado no sufrirá desaceleraciones en el futuro y cualquier impacto negativo podría, a su vez, tener un efecto material adverso en nuestra posición financiera, liquidez o en nuestros resultados operativos.

Dependemos de la situación financiera de los Distribuidores de GM.

La rentabilidad del Grupo depende de la situación financiera de los Distribuidores de la marca GM y de su cartera de préstamos comerciales, incluyendo los niveles de inventario que tienen los Distribuidores en respuesta a la demanda de financiamiento de nuevos vehículos de GM y vehículos usados, y el nivel de endeudamiento al mayoreo requerido por los Distribuidores para las adquisiciones de inventarios, proyectos de construcción a las instalaciones de los Distribuidores y capital de trabajo. Nuestro negocio podría verse afectado negativamente si, durante los períodos de desaceleración económica o recesión, los Distribuidores reducen los préstamos para la compra de inventario o para otros fines, o no pueden vender o liquidar los inventarios de vehículos y pagar sus préstamos al mayoreo, de bienes raíces u otros préstamos al Grupo. La disminución en la demanda de créditos al consumo para vehículos de GM también puede afectar negativamente a la situación financiera global de los Distribuidores de la marca GM, posiblemente aumentando la morosidad y las tasas de pérdida neta de nuestra cartera de préstamos comerciales e impactando negativamente a nuestra capacidad de crecer y, en última instancia, nuestra situación financiera, liquidez y resultados de las operaciones.

Los niveles de nuestros pasivos y el incumplimiento con los mismos podrían afectar nuestras operaciones y resultados

Al 31 de diciembre de 2016, contábamos con pasivos derivados de líneas de crédito revolvente, certificados bursátiles de corto plazo, certificados bursátiles estructurados y monetización de cartera de créditos por un monto total de $39,929 millones de pesos, de los cuales están distribuidos el 48% en deuda sin garantías y el 52% en deuda garantizada. Al 31 de diciembre de 2016, nuestros pasivos derivados de líneas de crédito revolvente representaban aproximadamente 5.0 veces nuestro capital contable. De darse circunstancias económicas desfavorables que afectaren nuestro negocio, podríamos no tener la capacidad de pagar dichos pasivos al vencimiento. Aun cuando, conforme a nuestras políticas internas, mantenemos dicha situación de correspondencia entre pasivos y activos, el prepago de ciertos activos, o el caso en el que la tasa de financiamiento de nuestros pasivos fuese superior a la tasa de rendimiento de nuestros activos, podría resultar en un impacto negativo en nuestros ingresos por financiamiento, y en consecuencia tener un efecto material adverso en nuestra posición financiera, liquidez o el resultado operativo.

Si el plazo de nuestros activos fuere superior al de los pasivos correspondientes, y dicho pasivo no pudiere ser refinanciado o no pudiere refinanciarse a tasas convenientes, lo anterior podría provocar un efecto material adverso en la liquidez de la empresa, su condición financiera o nuestros resultados operativos.

Los niveles de apalancamiento de la Compañía y la naturaleza de sus pasivos podrían resultar en una afectación a su situación financiera y su capacidad de pagar los Certificados Bursátiles.

Dependencia de personal clave y fuerza laboral

La ejecución de nuestras estrategias y la capacidad para lograr nuestras metas de crecimiento dependen, en gran medida, de nuestra capacidad de reclutar, seleccionar, capacitar y mantener ciertos funcionarios clave así como su fuerza laboral. No podemos garantizar la permanencia de dichos funcionarios en nuestra empresa, ni que los mismos serán remplazados por funcionarios con las mismas características, sin embargo nuestras operaciones aún podrían verse adversamente afectadas.

Contamos con diversas medidas de administración, entre las cuales, se encuentra la asignación de recursos humanos a partir de la estrategia de crecimiento de nuestra empresa, identificación de talento directivo y técnico, estructura de sucesión, la aplicación del mapeo de procesos y la redacción de manuales detallados para la transmisión del conocimiento, ejecución del sistema de evaluación de desempeño, tutorías y seguimiento, evaluación y gestión del clima organizacional, así como el diseño y desarrollo de un plan de formación para los empleados de la empresa.

Nuestra situación financiera podría variar de forma drástica teniendo como resultado un posible concurso mercantil

La información financiera que se adjunta al presente Reporte Anual demuestra que nuestra situación financiera es positiva, y no consideramos que puedan actualizarse los supuestos señalados en la Ley de Concursos Mercantiles. No obstante lo anterior, en caso de presentarse una modificación drástica en las condiciones económicas de los mercados financieros y de capitales mundiales y en relación con los factores de riesgo establecidos en la presente sección, como cualquier otra persona moral en México, podríamos encontrarnos en alguno de los supuestos establecidos en los artículos 9 y 10 de la Ley de Concursos Mercantiles y/o ser declarados en concurso mercantil por alguna autoridad judicial en México.

Cambios en la legislación y regulación aplicable podrían afectar nuestras operaciones y resultados

Somos sujetos a ciertas leyes y regulaciones aplicables a nuestro negocio, las cuales podrían ser, modificadas o derogadas en cualquier momento y las autoridades gubernamentales que aplican dichas leyes y regulaciones podrían interpretarlas de forma particular o tomar medidas regulatorias que pudieran dañar nuestro negocio, incrementar la competencia, incrementar nuestros costos de operación, disminuir nuestros ingresos, limitar nuestra capacidad para aumentar operaciones, o de cualquier otra manera afectar de manera adversa nuestro negocio.

Las medidas que, en caso de ser necesario, implementemos para la recuperación de créditos podrían resultar insuficientes o ineficientes y afectar nuestras operaciones y resultados

Experimentamos niveles de cartera vencida al 31 de diciembre de 2016 equivalentes a: $537.0 millones de pesos que se comparan con los $315.9 millones de pesos al 31 de diciembre de 2015. La diferencia obedece principalmente a un aumento en el volumen de contratos generados, cuyo nivel de morosidad estable se ha mantenido estable. De conformidad con las disposiciones legales aplicables, clasificamos una cuenta como vencida si no se recibe pago alguno en relación con dicha cuenta dentro de los 90 días posteriores a la fecha de pago.

No obstante la cartera vencida medida como porcentaje de la cartera total se ha incrementado ligeramente al cierre del 2016 comparado con la misma fecha del ejercicio de 2015 (1.00% contra 0.88%, respectivamente), no podemos asegurar que las medidas implementadas para la recuperación de créditos vencidos o que se implementen en un futuro sean eficientes o suficientes y resulten en una disminución permanente o continua en los niveles de la cartera vencida. Estamos sujetos a cambios en las condiciones económicas generales que están más allá de nuestro control. Durante los periodos de recesión o desaceleración económica, los incumplimientos, recuperaciones y pérdidas, generalmente se incrementan. Estos periodos también pueden verse acompañados por altas tasas de desempleo, baja demanda de automóviles y declive en el valor de los mismos, que al servir como garantía de créditos pendientes de pago, debilitan la cobertura de las garantías e incrementan la cantidad de las pérdidas en caso de que ocurra algún incumplimiento. Adicionalmente, los precios más altos de la gasolina, el declive en los precios de los valores que cotizan en bolsa, precios inestables de inmuebles, el crecimiento de las tasas de desempleo, la disponibilidad del crédito al consumo o cualesquier otros factores que impacten la confianza del consumidor o el ingreso disponible podrían incrementar la frecuencia de pérdidas y disminuir la demanda de los consumidores de automóviles, así como debilitar los valores de garantía de ciertos tipos de automóviles. Cualquier periodo sostenido de aumento en incumplimientos, reposesiones o pérdidas o incrementos en los costos de servicio podría afectar de manera adversa nuestra posición financiera, liquidez, resultados operativos y nuestra capacidad de participar en bursatilizaciones y líneas de crédito en el futuro.

La totalidad de nuestros ingresos y actividades provienen del sector automotriz, una disminución generalizada de ventas en dicho sector podría afectar nuestras operaciones y resultados

A pesar de la recuperación y crecimiento del sector automotriz en años recientes, históricamente el mercado automotriz ha sido uno de los sectores mayormente afectados por las crisis económicas, tanto a nivel nacional, como internacional. En caso de presentarse una recesión, u otra perturbación económica, una baja en el índice de confianza por parte del consumidor de bienes de consumo duradero o la saturación de la capacidad de endeudamiento, se podría observar una caída en el volumen de ventas, misma que podría reducir el número de financiamientos.

Tomando en consideración que nuestros activos consisten primordialmente en el otorgamiento de créditos para la adquisición de vehículos automotores, la disminución en las ventas del sector automotriz podría afectar nuestro crecimiento, posición financiera, liquidez o nuestros resultados operativos. Para más detalles al respecto ver la sección "*IV. Información Financiera*" del presente Reporte Anual.

Un aumento en la competencia en el sector podría afectar nuestras operaciones y resultados

La mayoría de las ventas de vehículos automotores al menudeo en México se llevan a cabo a través de uno de los siguientes tres medios: (i) al contado, (ii) a través de financiamiento, o (iii) a través de sistemas de autofinanciamiento. En el área de financiamiento de ventas al menudeo participan tanto empresas afiliadas a las armadoras de vehículos automotores, tales como NR Finance México, S.A. de C.V., SOFOM, E.R., Daimler Financial Services México, S. de R.L. de C.V., Volkswagen Leasing, S.A. de C.V., entre otras, así como instituciones de banca múltiple, tales como Banco Nacional de México, S.A. Institución de Banca Múltiple, Grupo Financiero Banamex, BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat y HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, entre otros.

De conformidad con lo establecido por la AMIA y la AMDA, El financiamiento bancario de vehículos ha decrecido en el último año. En total, Al 31 de diciembre de 2016, GM Financial de México ha colocado 177,427 financiamientos para adquisición de vehículos nuevos, lo cual representó aproximadamente el 17.0% de las ventas financiadas.

El aumento en la participación de los bancos comerciales o de las empresas de autofinanciamiento resulta en mayor competencia para nuestra empresa y la condición financiera, la liquidez y los resultados operativos de la misma puede verse afectada material y adversamente.

Los recursos para financiar nuestra cartera de créditos podrían no resultar suficientes

Obtenemos recursos para financiar nuestra cartera de créditos a través de créditos bancarios, emisiones bursátiles a corto plazo con carácter revolvente, y a través de la bursatilización de activos. Las condiciones de mercado han causado que muchos bancos e inversionistas institucionales disminuyan, y en algunos casos, dejen de prestar dinero incluso a instituciones financieras. La situación económica actual ha afectado y pudiera continuar afectando nuestras opciones para continuar financiando y financiarnos en términos favorables, o para financiarnos por completo.

Si las condiciones actuales de los mercados y la volatilidad continúan o empeoran, nos veremos en la necesidad de buscar liquidez a través de líneas de crédito adicionales. Sin embargo, bajo las condiciones extremas de los mercados, no se puede asegurar que el fondeo adicional se obtenga bajo los términos acordados para el actual o que el fondeo disponible sea suficiente para cubrir nuestras necesidades de operación.

En virtud de lo anterior, los servicios financieros que prestamos podrían verse afectados negativamente por la dificultad de adquirir financiamiento adicional en los mercados de capitales a largo y mediano plazo. Estas consecuencias negativas podrían resultar en un efecto material adverso en las operaciones de nuestro negocio y en los resultados de la operación del mismo, incluyendo más elevados costos de capital, la disminución de financiamiento a través de sus servicios financieros y la imposibilidad de seguir financiando la adquisición de vehículos a los consumidores. Para más detalles ver la sección "*I. Información General – 2. Resumen Ejecutivo – 2.2. Información Financiera Seleccionada"* del presente Reporte Anual.

El cambio climático y la disminución de demanda asociada a productos que con emisiones significativas de gases de efecto invernadero, así como el incremento en la demanda de otros productos con menor cantidad de emisiones podría afectar a nuestro negocio

No podemos asegurar que el mercado automotriz global o la porción de GM en México, no sufrirá desaceleraciones en el futuro relacionadas al cambio climático y la disminución de la demanda asociada a productos con emisiones significativas de gases de efecto invernadero, así como el incremento en la demanda de otros productos con menor cantidad de emisiones, lo cual en caso de darse podría tener un efecto adverso en nuestra posición financiera, liquidez o en nuestros resultados operativos.

La Emisora ha afectado un porcentaje de su cartera crediticia a ciertos contratos de fideicomiso

Hemos afectado un porcentaje de nuestra cartera al patrimonio de ciertos fideicomisos. Derivado de lo anterior, dicho porcentaje forma parte del patrimonio de dichos fideicomisos y los recursos derivados del mismo no pueden ser utilizados por la Emisora para el pago de sus obligaciones.

3.2. Relacionados con los Certificados Bursátiles

Los Tenedores de los Certificados Bursátiles no tendrán prelación alguna en caso de concurso mercantil de nuestra empresa

Los Tenedores serán considerados, en cuanto a su preferencia, en igualdad de circunstancias con todos nuestros demás acreedores no garantizados. Conforme a la Ley de Concursos Mercantiles, en caso de declaración de concurso mercantil o quiebra de la empresa, ciertos créditos en contra de la masa, incluyendo los créditos en favor de los trabajadores, los créditos en favor de acreedores singularmente privilegiados, los créditos con garantías reales, los créditos fiscales y los créditos a favor de acreedores con privilegio especial, tendrán preferencia sobre los créditos a favor de nuestros otros acreedores, incluyendo los créditos resultantes de los Certificados. Asimismo, en caso de declaración de concurso mercantil o quiebra de la empresa, de existir créditos con garantía real éstos tendrán preferencia (incluso con respecto a los Tenedores) hasta por el producto derivado de la ejecución de los bienes otorgados en garantía.

La Ley de Concursos Mercantiles establece que para determinar la cuantía de las obligaciones pendientes de pago a partir de que se dicte la sentencia de declaración de concurso mercantil, si dichas obligaciones se encuentran denominadas en pesos deberán convertirse a UDIs (tomando en consideración el valor de la UDI en la fecha de declaración del concurso mercantil), y si las mismas se encuentran denominadas en UDIs, dichas obligaciones se mantendrán denominadas en dichas unidades. Asimismo, nuestras obligaciones denominadas en pesos o UDIs, cesarán de devengar intereses a partir de la fecha de declaración del concurso mercantil.

Falta de liquidez de los Certificados Bursátiles

Es posible que los Certificados Bursátiles no cuenten con un mercado secundario una vez que sean emitidos, y dicho mercado podría no desarrollarse. En caso de que un mercado se desarrolle, puede que el mismo no cuente con suficiente liquidez. Por lo tanto, los inversionistas podrían no tener la posibilidad de vender sus Certificados Bursátiles de forma sencilla o a precios que les otorguen un rendimiento comparable con inversiones similares que hayan desarrollado un mercado secundario. Este es el caso particular de los Certificados Bursátiles que se encuentran sujetos a tasas de interés, riesgos cambiarios o de mercado, se encuentran diseñados para objetivos o estrategias de inversión específicas, o se han estructurado para cumplir con los requisitos de inversión de una categoría limitada de inversionistas. Este tipo de Certificados Bursátiles generalmente tendrían un mercado secundario más limitado y una volatilidad en el precio mayor que valores de deuda convencionales. La falta de liquidez podría tener un efecto severamente adverso en el valor de mercado de los Certificados Bursátiles.

Adicionalmente, los Tenedores deben tomar en cuenta las condiciones adversas del mercado global de crédito, que han permanecido en los años recientes, en las cuales ha existido una falta de liquidez general en el mercado secundario para instrumentos similares a los Certificados Bursátiles. Si dichas condiciones adversas del mercado global de crédito volvieran a ocurrir, cualquier falta de liquidez consecuente podría resultar en una pérdida para los Tenedores respecto de los Certificados Bursátiles en ventas secundarias aunque no exista un declive en el desempeño de los activos del Emisor.

En el caso que los Certificados Bursátiles prevean la posibilidad de ser amortizados anticipadamente o de darse por vencidos anticipadamente, y efectivamente lo sean, los Tenedores podrán no encontrar una inversión equivalente

El Programa contempla que cada emisión que se realice al amparo del mismo tendrá sus propias características. En el caso que así se señale en el título que ampare dicha emisión, una emisión podrá contemplar la posibilidad de ser amortizada anticipadamente y podrá también contemplar causas de vencimiento anticipado. En el supuesto en que una emisión efectivamente sea amortizada anticipadamente voluntariamente o como resultado de una causa de vencimiento anticipada, los Tenedores que reciban el pago de sus Certificados Bursátiles podrán no encontrar alternativas de inversión con las mismas características que los Certificados Bursátiles (incluyendo tasas de interés y plazo).

La calificación crediticia de los Certificados Bursátiles podría cambiar o ser retirada en cualquier momento

Las calificaciones crediticias otorgadas por las agencias calificadoras a los Certificados Bursátiles estarán sujetas a revisión (ya sea a la baja o a la alza) por distintas circunstancias relacionadas con nuestra empresa, el Garante GMF, México, su economía, u otros temas que en la opinión de las agencias calificadoras respectivas pueda tener incidencia sobre la posibilidad de pago de los mismos. Una disminución en la calificación crediticia podría afectar el crecimiento de la Compañía, la condición financiera o los resultados operativos de nuestra empresa, así como nuestra capacidad para pagar los Certificados Bursátiles. Si las agencias calificadoras que haya emitido un dictamen respecto de la calidad crediticia de los Certificados Bursátiles reducen o retiran la calificación otorgada a los mismos, es probable que el mercado secundario de dichos

Certificados Bursátiles se reducirá o se extinguirá. Los inversionistas deberán considerar cuidadosamente cualquier consideración que se señale en las calificaciones correspondientes, las cuales se adjuntarán como un anexo a los Suplementos correspondientes.

Las calificaciones crediticias pueden no reflejar el impacto potencial de todos los riesgos relacionados con la estructura, el mercado, los factores de riesgo adicionales descritos anteriormente, y otros factores que pueden afectar el valor de los Certificados Bursátiles. Una calificación crediticia no constituye una recomendación para comprar, vender o poseer valores y puede ser sujeta a revisiones, suspensiones o cancelaciones por la agencia calificadora que la ha otorgado, en cualquier momento.

3.3. Relacionados con México

Las condiciones económicas adversas en México pueden afectar negativamente nuestro desempeño financiero

Somos una sociedad constituida en México, todos nuestros activos y operaciones están localizados en México y el desempeño de nuestro negocio podría verse afectado por el desempeño de la economía mexicana. La crisis crediticia global de 2008 y la consecuente recesión económica tuvo consecuencias materialmente adversas sobre la economía mexicana, que en 2009 se contrajo aproximadamente 6.3% del PIB. La economía mexicana actualmente se encuentra recuperándose, con un crecimiento del PIB de aproximadamente 1.1% en 2013, aproximadamente 2.2% en el 2014, aproximadamente 2.6% en 2015 y aproximadamente 2.1% en 2016. No podemos asegurar que esta recuperación continuará durante el 2017, que se alcanzarán tasas similares a las tasas históricas recientes o que una disminución o recesión económica no ocurrirá en el futuro.

Adicionalmente, en el pasado, México ha experimentado periodos prolongados de crisis económicas, causados por factores internos y externos sobre los cuales no tenemos control alguno. Estos periodos se han caracterizado por inestabilidad del tipo de cambio, inflación alta, altas tasas de interés, contracción económica, reducción de inversión extranjera, reducción de la liquidez del sector bancario, alto nivel de desempleo. Una disminución en la tasa de crecimiento de la economía mexicana podría resultar en una menor demanda de financiamiento para la adquisición de vehículos automotores o podría tener un impacto en la capacidad de los acreditados para pagar el saldo de sus créditos. No podemos asegurar que las condiciones económicas de México no vayan a empeorar, o que dichas condiciones no tendrán un efecto material adverso en nuestra condición financiera y resultados de operación o en el valor de mercado o liquidez de los Certificados Bursátiles.

Acontecimientos políticos y sociales en México podrán afectar adversamente nuestro negocio

Actualmente ningún partido cuenta con una mayoría absoluta en alguna de las cámaras del Congreso de la Unión. La ausencia de una mayoría clara y los conflictos entre los poderes legislativo y ejecutivo podrían resultar en un estancamiento y bloqueos en la implementación oportuna de las reformas estructurales y su legislación secundaria, lo cual podría tener un efecto materialmente adverso sobre la economía mexicana o algunos de sus sectores productivos. No podemos asegurar que los acontecimientos políticos en México no tengan un efecto material adverso sobre nuestro negocio, condición financiera o resultados de operación.

En los últimos años, México ha experimentado un incremento en el crimen organizado y narcotráfico. Este incremento en el crimen ha tenido un impacto material adverso sobre la actividad económica de México en general. Inestabilidad social en México o acontecimientos sociales o políticos adversos en o afectando a México podrían igualmente impactarnos, así como a nuestra habilidad para llevar a cabo negocios, ofrecer nuestros servicios y obtener financiamiento, y el valor de mercado y liquidez de los Certificados Bursátiles. No podemos asegurar que los niveles de criminalidad en México, sobre los cuales no tenemos control alguno, no se incrementarán y no resultarán en más efectos materiales adversos sobre la economía mexicana o sobre nuestro negocio, condición financiera o resultados de operación.

Enrique Peña Nieto, miembro del Partido Revolucionario Institucional (PRI), fue electo Presidente de México en julio de 2012 y tomó posesión el 1 de diciembre de 2012. Este cambio dio lugar a reformas legislativas y reglamentarias y en las políticas gubernamentales en materias claves tales como hacendaria, energética, financiera y de telecomunicaciones. El efecto a largo plazo de dichas reformas es aún incierto, sin embargo, existe el riesgo de dichas reformas generen cierta incertidumbre con respecto a la economía, o un aumento en la volatilidad de los mercados de capitales y/o el precio de los valores.

Aunque los efectos de las reformas o cambios impulsados por la administración de Enrique Peña Nieto, aún son inciertas, las mismas podrían impactar negativamente al Emisor en aspectos laborales, fiscales, de financiamiento, de regulación ambiental, entre otros, los cuales pueden tener un impacto significativamente adverso en los resultados de operación. No podemos prever el alcance del impacto de las reformas promulgadas o bien si el Congreso de la Unión considerará modificar demás leyes existentes que afecten los resultados del Emisor.

El gobierno mexicano ha ejercido y continúa ejerciendo una influencia significativa sobre la economía mexicana. Cambios en las políticas de gobierno mexicanas podrían tener un efecto materialmente adverso en nuestros resultados de la operación y condición financiera

El gobierno federal mexicano ha ejercido una influencia significativa sobre la economía mexicana. Por lo tanto, las acciones y políticas gubernamentales relacionadas con la economía, empresas con participación estatal, organismos públicos descentralizados, empresas paraestatales y entidades financieras controladas, fondeadas o influenciadas por el gobierno, podrían tener un efecto significativo sobre entidades del sector privado en general y sobre nosotros en particular, así como sobre condiciones de mercado, precios y rendimientos relacionados con valores de emisores mexicanos.

En el pasado, el gobierno mexicano ha intervenido en la economía local y ocasionalmente lleva a cabo cambios significativos en las políticas y regulaciones, lo cual podrá continuar haciendo en el futuro. Dichas acciones para controlar la inflación y otras regulaciones y políticas han implicado, entre otras medidas, el incremento de tasas de interés, cambios en la política fiscal, cambios en políticas afectando ciertos sectores de la economía, incluyendo la industria de la vivienda, control de precios, devaluaciones de moneda, controles de capital, límites sobre importaciones y otras acciones. Nuestro negocio, condición financiera y resultados de operación, podrán verse adversamente afectados por los cambios en las políticas de gobierno o regulaciones que involucren o afecten nuestros activos, nuestra administración, nuestras operaciones, nuestra capacidad para incrementar nuestro portafolio y crecimiento, y nuestro régimen fiscal. No podemos asegurar que un cambio en las políticas gubernamentales del gobierno mexicano, incluyendo las políticas de crédito y las políticas relacionadas con organismos públicos descentralizados, no tendrá un efecto material adverso en nuestro negocio, condición financiera y resultados de operación, así como en el valor de mercado de nuestros Certificados Bursátiles.

La inflación en México, así como ciertas medidas gubernamentales adoptadas para controlarla, podrían tener un efecto material adverso sobre nuestro desempeño financiero

Históricamente, México ha experimentado altos niveles de inflación. Aunque no ha existido volatilidad significativa en las tasas de interés en México durante años recientes, la tasa anual de inflación publicada por el Banco de México, alcanzo 6.5% el 2008, de conformidad con lo establecido por la Comisión Nacional de Salarios Mínimos, la tasa de inflación fue de 4.1% en 2014 , 2.1% en 2015 y 3.4% en 2016, con un crecimiento en salario mínimo en medición anual de 3.9% en 2014, 4.2% en 2015 y 9.6% en 2016. Si México experimenta altos niveles de inflación como ha sucedido en el pasado, estos podrán afectar de manera adversa nuestras operaciones y desempeño financiero, así como el valor absoluto de nuestros rendimientos. Un incremento sustancial en las tasas de inflación podría afectar materialmente las condiciones macroeconómicas y el desempleo masivo que pudiere detonarse por dicha situación llevaría a una crisis económica que podría afectar significativamente la solvencia de los acreditados y los niveles de incumplimiento de los créditos que conforman nuestro portafolio.

Altas tasas de interés en México podrían incrementar nuestros costos de financiamiento

Como mencionamos en el párrafo anterior, históricamente, México ha experimentado altas tasas de interés tanto nominales como reales. En respuesta a la recesión y estancamiento económico de México durante el 2009, el Banco de México bajó la tasa de referencia mexicana (CETES) a 4.5% en un esfuerzo para, entre otras cosas, fomentar los financiamientos y estimular la economía. Adicionalmente, en octubre de 2013, el Banco de México, redujo la tasa antes mencionada a 3.5%. En junio de 2014, Banco de México redujo la tasa de referencia a 3.0%. Al 31 de diciembre de 2016 el nivel de tasa de referencia observado fue de 5.7%. En el mediano y largo plazo es posible que el Banco de México incremente su tasa de interés de referencia. En concordancia, si incurrimos en deuda denominada en pesos en el futuro, podría ser con tasas de interés altas, lo cual podría tener un efecto adverso sobre nuestro desempeño financiero, resultados de operación y nuestra capacidad para realizar distribuciones respecto de nuestros Certificados Bursátiles y su valor de mercado.

Durante 2014, la TIIE de 28 días varió de un mínimo de 3.27% a un máximo de 3.82%. En el 2014, la tasa promedio de la TIIE de 28 días fue de 3.51%. Al 31 de diciembre del 2015, la tasa promedio de la TIIE de 28 días fue de 3.32%, alcanzando un nivel máximo de 3.55% y un mínimo de 3.28%. Durante el año 2016, la tasa promedio de la TIIE de 28 días fue de 4.47%, alcanzando un nivel máximo de 6.11% y un mínimo de 3.55%.

El incremento o disminución de las tasas de interés tiene un efecto directo en nuestros resultados operativos. El alza de las tasas de interés incrementa nuestro costo de fondeo. Asimismo, cualquier incremento en dichas tasas podría incrementar indirectamente los niveles de morosidad de nuestros clientes.

Acontecimientos en otros países podrían afectar adversamente la economía mexicana, el valor de mercado de nuestros Certificados Bursátiles y nuestro desempeño financiero

La economía mexicana y el valor de mercado de las compañías mexicanas podrían ser, en cierto grado, afectados por las condiciones económicas y de mercados globales, y en otros países y socios comerciales significativos, particularmente los Estados Unidos. Aunque las condiciones económicas en otros países podrían variar de manera sustancial en relación con las condiciones económicas de México, las reacciones de los inversionistas ante acontecimientos en otros países podrían tener un efecto material adverso sobre el valor de mercado de valores de emisores mexicanos o sobre activos mexicanos. Por ejemplo, históricamente, el precio de los valores mexicanos de deuda y capital se vio materialmente afectado debido a acontecimientos en Rusia, Asia, Brasil y la Unión Europea. La crisis financiera global resultó de 2008 en fluctuaciones significativas en los mercados financieros y economía mexicanos.

Específicamente, las condiciones económicas en México están estrechamente relacionadas con las de los Estados Unidos como resultado del Tratado de Libre Comercio de América del Norte o TLCAN, y un incremento en la actividad económica entre los dos países. Condiciones económicas adversas en los Estados Unidos, o la terminación o renegociación del TLCAN u otros eventos relacionados, podrían tener un efecto material adverso sobre la economía mexicana. Adicionalmente, la crisis fiscal en la Eurozona podrá afectar tanto la economía global como la mexicana. No podemos asegurar que eventos en México y en otros países, no producirán un efecto material adverso sobre nuestro desempeño financiero, ganancias operativas o capacidad económica.

Después de cuatro años de relativa estabilidad, de conformidad con las estimaciones del Banco Mundial, los precios del petróleo se han desplomado desde junio de 2014, sin embargo la importación de petróleo debería beneficiarse de los bajos precios del petróleo ya que un detrimento en dichos precios incrementa los ingresos domésticos y corporativos de manera similar a los recortes fiscales. El desarrollo de los precios del petróleo también podría aumentar la volatilidad de los mercados financieros y de divisas y afectar los flujos de capital. Estas variaciones en los precios del petróleo podrían afectar las condiciones económicas de México y, por lo tanto, afectar nuestro negocio, condición financiera y resultados de operaciones.

En 2015 se esperaba que, China, la segunda economía más grande del mundo creciera a un ritmo de 6 por ciento anual, de acuerdo con lo establecido por Rockwell Global Capital, lo cual es mucho más lento que el anticipado en comparación con su crecimiento de dos dígitos hace algunos años. Este detrimento en el crecimiento económico Chino ha colapsado los mercados financieros internacionales con base en un sinnúmero de incertidumbres, anticipando una desaceleración global en respuesta a las debilidades de la economía y mercados financieros de China. Lo anterior podría afectar las condiciones económicas de México y, por lo tanto, afectar nuestro negocio, condición financiera y resultados de operaciones.

Cambios en el régimen fiscal de México podrían tener un efecto material adverso sobre nuestra empresa, los Certificados Bursátiles o nuestras operaciones

No podemos garantizar que el régimen fiscal vigente en México al momento de las emisiones se mantendrá sin modificaciones durante el transcurso de la vigencia del Programa o de las emisiones que se lleven a cabo al amparo del mismo, ni que los cambios en la política fiscal que lleven a cabo las autoridades federales o locales no afectarán de forma materialmente adversa nuestro negocio, condición financiera y resultados de operaciones.

La legislación fiscal está sujeta a cambios constantes y no podemos asegurar si las autoridades federales o locales propondrán y aprobarán reformas a la misma que podrían tener un efecto materialmente adverso y significativo en nuestro negocio, resultados de operaciones o condición financiera futura, así como afectar en forma adversa el régimen fiscal que nos resulta aplicable o a las emisiones correspondientes. Por lo tanto, no podemos asegurar que la regulación fiscal, sobre la cual no tenemos control alguno, no tendrá un impacto negativo en nuestra posición financiera o nuestros resultados de operaciones o que perjudique su capacidad económica.

Así mismo, no podemos garantizar que el régimen fiscal aplicable a los pagos que deban hacerse bajo los Certificados Bursátiles no sufrirá modificaciones en el futuro que pudiesen afectar negativamente el tratamiento fiscal de los intereses generados por los Certificados Bursátiles. En caso de que esto ocurriera, podrían aplicar tasas de retención respecto de los pagos a ser efectuados a los Tenedores que fueran mayores a las señaladas en este Reporte Anual por lo que las ganancias esperadas por los inversionistas bajo los Certificados Bursátiles podrían verse reducidas en virtud de un incremento en las tasas de retención aplicables a dichos valores.

Los impuestos mexicanos y las reformas hacendarias podrían tener un efecto materialmente adverso sobre nuestro desempeño financiero

Las autoridades gubernamentales en México pueden imponer o suspender una serie de impuestos. No podemos asegurar que las autoridades gubernamentales en México no impondrán nuevos impuestos, incrementen los mismos o cambien la interpretación de la ley respecto de nuestra industria financiera y automotriz en el futuro. La imposición de nuevas contribuciones, el incremento de impuestos relacionados con la industria automotriz o de financiamiento, o el cambio en la interpretación de la ley fiscal podría tener un efecto materialmente adverso sobre nuestro negocio, condición financiera y resultados de la operación, así como en el valor de mercado y liquidez de los Certificados Bursátiles.

3.4. Relacionados con los Garantes

La legislación aplicable a las Garantías y a su ejecución es la legislación aplicable al estado de Nueva York, E.U.A., sin tomar en cuenta los principios de conflicto de leyes de dicho estado, por lo que cualquier acción o ejecución relacionada con la misma deberá ejercerse en los tribunales ubicados en el distrito de Manhattan, en la Ciudad de Nueva York.

Las Garantías que han otorgado los Garantes se constituirán mediante instrumentos denominados *Guarantees*, los cuales estarán regidos por las leyes del Estado de Nueva York, E.U.A sin tomar en cuenta los principios de conflicto de leyes de dicho estado. Conforme a dichas Garantías, los Garantes se someten a la jurisdicción de los tribunales ubicados en el distrito de Manhattan, en la Ciudad de Nueva York, E.U.A.; por consiguiente, cualquier procedimiento legal relacionado con la ejecución de dichas Garantías deberá iniciarse ante dichos tribunales y siguiendo las normas sustantivas y procesales del Estado de Nueva York, E.U.A.

En el supuesto que los Garantes no realicen los pagos que les sean requeridos conforme a los términos de las Garantías, los Tenedores podrán demandar el pago respectivo ejerciendo las acciones aplicables bajo las leyes del Estado de Nueva York, E.U.A sin tomar en cuenta los principios de conflicto de leyes de dicho estado, ante los tribunales ubicados en el distrito de Manhattan, en la Ciudad de Nueva York, E.U.A.

Los Garantes son sociedades constituidas en los Estados Unidos de América y la mayoría de sus activos se encuentran ubicados fuera de México. Las operaciones de cada Garante se encuentran sujetas a diversos riesgos propios de los mercados en los que operan, los cuales podrían afectar su liquidez, situación financiera o resultados de operación y, en consecuencia, afectar su capacidad para pagar cualquier reclamación derivada de la Garantía que corresponda. De igual manera, en caso de insolvencia o quiebra de uno o ambos Garantes, las reclamaciones de los Tenedores conforme a las Garantías estarán sujetas a la preferencia que establezcan las leyes del Estado de Nueva York, E.U.A sin tomar en cuenta los principios de conflicto de leyes de dicho estado.

Los Estados Financieros del Garante GMF no están elaborados conforme a las NIF

Los estados financieros del Garante GMF están preparados conforme a los principios de contabilidad generalmente aceptados en los Estados Unidos de América, los cuales difieren de las NIF.

Los estados financieros de AmeriCredit están consolidados en los estados financieros del Garante GMF por lo que no se presentan ni publican de forma individual, sino incorporados a los de Garante GMF.

La rentabilidad y condición financiera de los Garantes depende de las operaciones de General Motors

Una porción importante del negocio financiero de los Garantes y, sustancialmente todas sus actividades de crédito comercial consisten en el otorgamiento de financiamientos asociados a la venta y arrendamiento financiero de vehículos de la marca General Motors y en su relación con los distribuidores de vehículos General Motors. Si ocurrieran cambios significativos en la liquidez de General Motors y su posición y acceso a los mercados de capital, en la producción o ventas de los vehículos de la marca General Motors a consumidores minoristas, en la calidad o valor de reventa de los vehículos de la marca General Motors, o en otros factores que afecten a General Motors o a sus productos, dichos cambios podrían afectar materialmente a la rentabilidad, condición financiera y acceso al mercado de capitales de los Garantes. Adicionalmente, General

Motors patrocina programas de financiamiento con tasas preferentes disponibles a través de los Garantes. Al amparo de dichos programas General Motors entrega intereses u otros pagos de soporte a los Garantes. Estos programas incrementan el volumen de financiamiento de los Garantes y la proporción de ventas de vehículos financiados de la marca General Motors. En caso de que en el futuro General Motors adoptara estrategias de mercado que restaran importancia a dichos programas en beneficio de otros incentivos, el nivel de financiamiento de los Garantes podría reducirse.

No hay garantía alguna de que el mercado global automotriz o la porción de General Motors de dicho mercado no sufrirá detrimentos en el futuro, y cualquier impacto negativo podría resultar en un efecto material adverso en nuestra posición financiera, liquidez y resultados operativos.

General Motors no funge como garante de los Certificados Bursátiles y podría tener intereses que entren en conflicto con aquellos de los Tenedores

General Motors no funge como garante de, ni se encuentra obligado de forma alguna respecto de, los Certificados Bursátiles emitidos por la Compañía. Los Certificados Bursátiles se encuentran garantizados únicamente en los términos descritos en el presente Reporte Anual.

3.5. Relacionados con las declaraciones respecto al futuro

El presente Reporte Anual contiene ciertas declaraciones respecto al futuro. Estas declaraciones incluyen, de manera enunciativa pero no limitativa: (i) declaraciones en cuanto a nuestra situación financiera y resultados de operación; (ii) declaraciones en cuanto a nuestros planes, objetivos o metas, incluyendo declaraciones en cuanto a nuestras actividades; y (iii) declaraciones en cuanto a las presunciones subyacentes en que se basan dichas declaraciones. Las declaraciones respecto al futuro contienen palabras tales como "pretende", "prevé", "considera", "estima", "espera", "pronostica", "planea", "predice", "busca", "podría", "debería", "posible", "lineamiento" y otros vocablos similares, ya sea en primera o tercera persona, sin embargo, no son los únicos términos utilizados para identificar dichas declaraciones.

Por su propia naturaleza, las declaraciones respecto al futuro conllevan riesgos e incertidumbres de carácter tanto general como específico y existe el riesgo de que no se cumplan las predicciones, los pronósticos, las proyecciones y las demás declaraciones respecto al futuro. Se advierte a los inversionistas que hay muchos factores importantes que pueden ocasionar que los resultados reales difieran sustancialmente de los expresados en los planes, objetivos, expectativas, estimaciones y afirmaciones tanto expresas como implícitas contenidas en las declaraciones con respecto al futuro, incluyendo los siguientes:

- la competencia en la industria y los mercados en lo que se desenvuelve la empresa;
- la disponibilidad y costo de fuentes de financiamiento;
- el desempeño de los mercados financieros y nuestra capacidad para renegociar nuestras obligaciones financieras en la medida necesaria;
- las restricciones cambiarias y las transferencias de fondos al extranjero;
- nuestra capacidad para implementar nuestras estrategias corporativas;
- la falla de nuestros sistemas de tecnología de la información, incluyendo los sistemas de datos y comunicaciones;
- las fluctuaciones en los tipos de cambio, las tasas de interés o el índice de inflación, y

- el efecto de los cambios en las políticas contables, la promulgación de nuevas leyes, la intervención de las autoridades gubernamentales, la emisión de órdenes gubernamentales o la política fiscal.

De concretarse alguno o varios de estos factores o incertidumbres, o de resultar incorrectas las presunciones subyacentes, los resultados reales podrían diferir sustancialmente de los deseados, previstos, esperados, proyectados o pronosticados en este Reporte Anual.

Los posibles inversionistas deben leer las secciones tituladas "*I. Información General – 2. Resumen Ejecutivo*", "*I. Información General – 3. Factores de Riesgo*", y *"IV. Información Financiera – 4. Comentarios y Análisis de la Administración sobre los Resultados de Operación y Situación Financiera del Emisor*" del presente Reporte Anual para entender los factores que pueden afectar nuestro desempeño futuro y los mercados en los que operamos.

Dados los riesgos y las incertidumbres y presunciones antes descritas, es posible que los hechos descritos en las declaraciones respecto al futuro no ocurran. No asumimos obligación alguna de actualizar o modificar las declaraciones respecto al futuro contenidas en este Reporte Anual en caso de que obtengamos nueva información o en respuesta a hechos o acontecimientos futuros. De tiempo en tiempo surgen factores adicionales que afectan nuestras operaciones y no podemos predecir la totalidad de dichos factores ni evaluar su impacto en nuestras actividades o la medida en que un determinado factor o conjunto de factores puede ocasionar que los resultados reales difieran sustancialmente de los expresados en las declaraciones respecto al futuro. Aun cuando consideramos que los planes y las intenciones y expectativas reflejadas en las declaraciones respecto al futuro son razonables, no podemos garantizar que lograremos llevarlos a cabo.

Además, los inversionistas no deben interpretar las declaraciones relativas a las tendencias o actividades previas como una garantía de que dichas tendencias o actividades continuarán a futuro. Todas las declaraciones a futuro, ya sean escritas, verbales o en formato electrónico, imputables al Emisor o sus representantes, están expresamente sujetas a esta advertencia.

4. Otros Valores

El 16 de noviembre de 2012, la CNBV mediante oficio 153/9240/2012 autorizó al Emisor un programa revolvente de certificados bursátiles de corto plazo por un monto de $6,000'000,000.00 (el "Primer Programa de Corto Plazo del Emisor").

El 5 de noviembre de 2014, la CNBV mediante oficio 153/107557/2014 autorizó al Emisor un programa revolvente de certificados bursátiles de corto plazo por un monto de $6,000'000,000.00 (el "Segundo Programa de Corto Plazo del Emisor", junto con el Primer Programa de Corto Plazo del Emisor, el "Programa de Corto Plazo del Emisor").

El 27 de octubre de 2016, la CNBV mediante oficio 153/106060/2016 autorizó al Emisor un Programa de Certificados Bursátiles de Corto y Largo Plazo con Carácter Revolvente por un monto de hasta $7,000'000,000.00 (siete mil millones de pesos 00/100 M.N.) o su equivalente en unidades de inversión.

Tenemos colocados, al 31 de diciembre de 2016, un total de 11,800,000 certificados bursátiles de corto plazo emitidos al amparo del Programa de Corto Plazo del Emisor por un monto total en circulación de $1,180,000,000.00.

A continuación se presenta el detalle de los certificados bursátiles de corto plazo vigentes al 31 de diciembre de 2016:

Clave de Pizarra	Tipo de Valor	Monto Emitido (M.N.)	Número de Certificados Bursátiles	Fecha de Emisión	Fecha de Vencimiento	Plazo (días)
GMFIN 04416	Certificados Bursátiles de Corto Plazo	$500,000,000.00	5,000,000	24 de noviembre de 2016	12 de enero de 2017	49
GMFIN 04516	Certificados Bursátiles de Corto Plazo	$230,000,000.00	2,300,000	01 de diciembre de 2016	19 de enero de 2017	49
GMFIN 04616	Certificados Bursátiles de Corto Plazo	$450,000,000.00	4,500,000	08 de diciembre de 2016	26 de enero de 2017	49

5. Cambios significativos a los derechos de Valores inscritos en el registro Nacional de Valores

No hay cambios significativos a los derechos de los valores inscritos en el RNV.

6. Destino de los Fondos

El destino específico de los recursos se dará a conocer en el Suplemento o Aviso que corresponda a cada una de las emisiones, según sea aplicable, el cual podrá ser para, entre otros, el financiamiento de operaciones de créditos comerciales y/o créditos al consumo, mediante distintos esquemas tales como Plan Piso, planes de flotillas, préstamos de capital y líneas revolventes para capital de trabajo, financiamiento de menudeo para adquisición de vehículos nuevos o usados, arrendamiento y otros fines corporativos.

7. Documentos de Carácter Público

Toda la información contenida en el presente Reporte Anual y cualquiera de sus anexos y que se presenta como parte de la solicitud de inscripción de los Certificados Bursátiles en el RNV, podrá ser consultada por los inversionistas en las oficinas del Emisor o en su página de internet www.gmfinancial.mx, o bien a través de la BMV y la CNBV, en sus oficinas, o en sus páginas de Internet www.bmv.com.mx y www.cnbv.com.mx, respectivamente.

El presente Reporte Anual incluye cierta información del Garante GMF basada en la información presentada por el Garante GMF ante la SEC.

A solicitud del inversionista se otorgarán copias de este documento. Para este propósito los inversionistas deben dirigirse a GM Financial de México, S.A. de C.V. Sociedad Financiera de Objeto Múltiple, Entidad Regulada, con dirección en Ave. Eugenio Garza Lagüera N°933, Planta Baja, Colonia Valle Oriente, San Pedro Garza García, Nuevo León, C.P. 66269, teléfono +52 81 8399 9700, en atención a Victor Manuel Lamadrid León, o a través del correo electrónico:inversionistas@gmfinancial.com.

II. EL EMISOR

1) Historia y Desarrollo de la Compañía

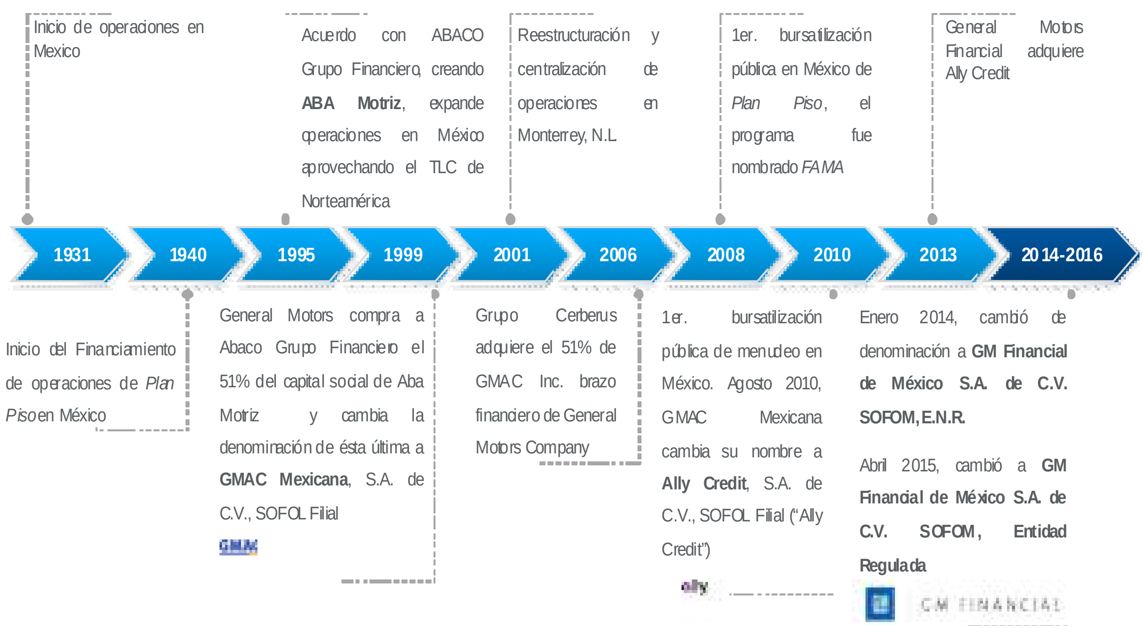
1.1 Datos Generales

Nuestra denominación social es: GM Financial de México, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad Regulada, y nos ostentamos comercialmente como "GM Financial". Nuestras oficinas centrales se encuentran ubicadas en Ave. Eugenio Garza Lagüera N°933, Planta Baja, Colonia Valle Oriente, San Pedro Garza García, Nuevo León, C.P. 66269 y su teléfono es +52 (01) 81 8399 9700.

Somos una subsidiaria de General Motors Financial Company, Inc., quien tiene directamente el 0.10% de nuestra Compañía, e indirectamente el 99.90%, a través de su subsidiaria GM Financial Mexico Holdings LLC. General Motors Financial Company, Inc. es propiedad en un 100% de General Motors, a través de su subsidiaria General Motors Holdings LLC. General Motors es una marca que representa uno de los fabricantes de vehículos más grande del mundo, el cual fue fundado en 1908 en el Estado de New Jersey en los Estados Unidos. Actualmente, tiene presencia en aproximadamente 120 países y además de la fabricación, ensamble y comercialización de autos y camiones realiza negocios en otros sectores como transmisiones y comercialización de partes y accesorios automotrices.

1.2 Evolución de la Compañía

A continuación se presenta una gráfica que muestra los principales acontecimientos de la Compañía en México:



Iniciamos operaciones en 1931 en la Ciudad de México. Desde ese entonces a la fecha, hemos brindado servicios de soporte y asesoría financiera. Como entidad legal, GMF México se constituyó en la Ciudad de México bajo la denominación de GMAC Mexicana, S.A. de C.V., Sociedad Financiera de Objeto Limitado Filial, el 17 de agosto de 1995, con duración indefinida, según consta en la escritura pública 1003, otorgada ante la fe del Lic. Francisco I. Hugues Velez, titular de la notaria 212 del Distrito Federal. En 2010 nos convertimos en Ally Credit, S.A. de C.V., Sociedad Financiera de Objeto Limitado Filial, y seguimos afianzando nuestra posición en el mercado. A partir del 15 de enero de 2014 cambiamos nuestra denominación a GM Financial de México, Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, la financiera automotriz de General Motors Financial Services, Inc. en México.

Desde abril de 2015 somos una sociedad anónima de capital variable, SOFOM, Entidad Regulada cuya actividad primordial consiste en proporcionar servicios y recursos financieros a los Distribuidores y sus clientes para la adquisición de vehículos, principalmente, de la marca General Motors. Buscamos satisfacer las necesidades de financiamiento automotriz de nuestros clientes a través de asesoría y atención personalizada, una actitud cercana y amable, y la generación de valor agregado para garantizar la calidad en nuestro servicio.

Somos una empresa de servicios financieros que se desempeña en el sector automotriz de México, financiamos vehículos y ofrecemos al consumidor mexicano un servicio de calidad y diversas opciones de crédito para adquirirlos. Nuestro equipo de administración aporta amplia experiencia, y conocimiento de la industria de financiamiento de automóviles para cubrir las necesidades de nuestros clientes.

Contamos con líneas de crédito para la compra de vehículos de servicio particular o público, para personas físicas o morales. Asimismo, nuestro portafolio de planes y productos de valor agregado permite a los clientes encontrar una opción en el mercado para adquirir su vehículo. Mediante resoluciones adoptadas por la asamblea general extraordinaria de accionistas del 21 de abril de 2015 y con efectos a partir del 27 de abril de 2015, se resolvió adoptar la modalidad de sociedad financiera de objeto múltiple, entidad regulada y en consecuencia se reformaron ciertos artículos de nuestros estatutos sociales. Lo anterior, en cumplimiento con la Ley del Mercado de Valores, y de conformidad con lo dispuesto por los artículos 87-b y 87-d, fracción V, de la Ley General de Organizaciones y Actividades Auxiliares del Crédito, las cuales indican que al ser una emisora de valores de deuda inscritos en el Registro Nacional de Valores calificamos como una entidad regulada.

2) Descripción del Negocio

2.1. Actividad Principal

Tenemos como actividad principal el proveer de servicios y recursos financieros a los Distribuidores y sus clientes, para la adquisición y arrendamiento de vehículos principalmente de la marca General Motors. Las áreas de negocio de GMF México pueden separarse básicamente en dos: crédito comercial y crédito de consumo.

Crédito Comercial

También denominada como área de crédito de mayoreo, en esta área de negocio se encuentran todos los financiamientos que se otorgan a través del Plan Piso y de préstamos de capital de trabajo. Con el Plan Piso, GMF México brinda la oportunidad a los Distribuidores de adquirir unidades nuevas de las plantas armadoras con el objeto de poder llevar a cabo su posterior comercialización, promoción y distribución.

La siguiente tabla muestra un resumen de los principales productos financieros para crédito comercial ofrecidos por nuestra empresa.

Productos Financieros
Plan Piso: Permite a los distribuidores adquirir inventario de vehículos nuevos y seminuevos
Préstamos de Capital: Permite a los distribuidores contar con recursos para remodelaciones, ampliaciones, compra de equipo, entre otros
Plan Flotillas: Este financiamiento tiene como objetivo clientes que realizan operaciones mayores a USD $250,000

Para el financiamiento de unidades bajo este esquema existen los siguientes programas:

- Vehículos nuevos:

A través de este programa, los Distribuidores pueden adquirir de la planta armadora autos y camiones nuevos mediante el uso de líneas de crédito revolventes otorgadas por GMF México revisables cada 6 meses o cada año. Dichas líneas de crédito generan intereses pagaderos mensualmente. El capital que se adeude a GMF México como resultado del financiamiento de una unidad deberá ser pagado en un periodo máximo de 48 horas después de que la unidad haya sido entregada al consumidor final; esto es una vez que el Distribuidor ha vendido el vehículo.

- Vehículos seminuevos:

Con este plan el Distribuidor tiene la posibilidad de adquirir vehículos usados de cualquier marca que no tengan más de 6 años de antigüedad incluyendo el año en curso, los cuales deberán estar en buenas condiciones. Estas unidades pueden ser revisadas por un representante de GMF México.

- Plan pagos diferidos:

Bajo este programa los Distribuidores que tengan firmado el convenio de plan de pagos diferidos pueden satisfacer necesidades de consumidores finales cuyas características de operación demandan flotillas de vehículos. Los Distribuidores cuentan con un periodo adicional para liquidar la unidad a GMF México una vez que ha sido entregada al consumidor final, de acuerdo a las condiciones de pago del cliente.

- Préstamos de capital:

Para apoyar a los Distribuidores, GMF México puede otorgar préstamos simples o revolventes para capital de trabajo, mismos que son utilizados con frecuencia para la remodelación de instalaciones y adquisición de nuevos inmuebles.

Los Distribuidores al 31 de diciembre de 2016, sumaban un total de 170.

A continuación se muestran los 10 Distribuidores de la marca General Motors que presentan el mayor saldo insoluto de financiamiento comercial contratado con nuestra empresa al 31 de diciembre de 2016.

Distribuidores GM de México	
Posición	Saldo en Millones de Pesos
1	$383
2	$374
3	$297
4	$271
5	$239
6	$238
7	$215
8	$209
9	$185
10	$181

Crédito de Consumo

En el área de crédito de consumo o crédito de menudeo, otorgamos financiamiento y/o arrendamiento a personas morales o físicas que quieran adquirir unidades nuevas o usadas de GM de México o de otras marcas, mediante un esquema variado de alternativas que buscan cubrir todos los segmentos de mercado.

En relación con este tipo de crédito, existen 2 esquemas de financiamiento que son:

- Contratos Con Recurso: bajo este esquema el Distribuidor funge como aval en caso de incumplimiento del pago del crédito.

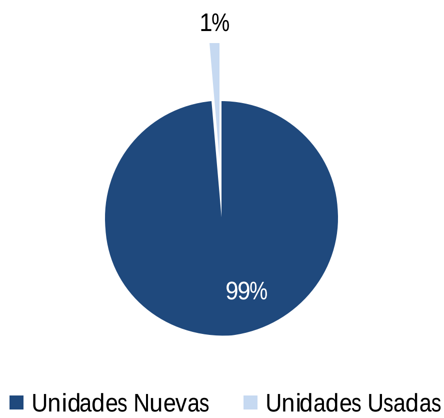
- Contratos Sin Recurso: bajo este esquema GMF México asume todo el riesgo crediticio de la operación correspondiente, pudiendo o no exigir que la misma sea garantizada por medio de un aval.

La siguiente tabla contiene un resumen de los principales productos financieros, para crédito de consumo, que ofrecemos:

Productos Financieros
Plan Tradicional: Financiamiento hecho a la medida del cliente, tomando en cuenta sus necesidades
Planes Especiales: Para líneas y modelos particulares de vehículos, con diferentes opciones en la inversión inicial y atractivas tasas como 0% de interés
Plan Accesible: Enfocado en personas que por su actividad económica no le permiten demostrar sus ingresos de forma tradicional. GM Financial de México realiza un estudio socioeconómico para conocer mejor al cliente
Planes Seminuevos: Permite adquirir vehículos con antigüedad de hasta 6 años al modelo actual, con atractivas mensualidades y tasas fijas
Plan Flotillas: Este financiamiento tiene como objetivo clientes que realizan operaciones menores a USD $250,000
RightLease: Este producto ofrece arrendamiento operativo principalmente al canal de lujo como Cadillac, Buick y GMC

Nuestra cartera de crédito de consumo se encuentra distribuida de la siguiente forma:

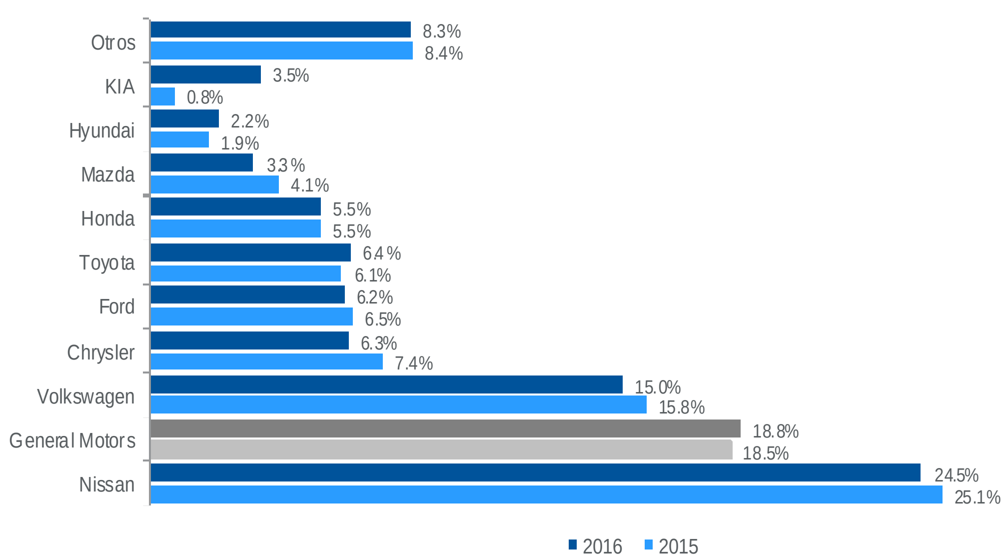
Vehículos Financiados de crédito de consumo



Fuente: GMF México.

Nuestro negocio depende substancialmente de las ventas de General Motors en México. La siguiente gráfica muestra la participación en el mercado de vehículos vendidos en México por las diferentes marcas durante el 2015 y 2016.

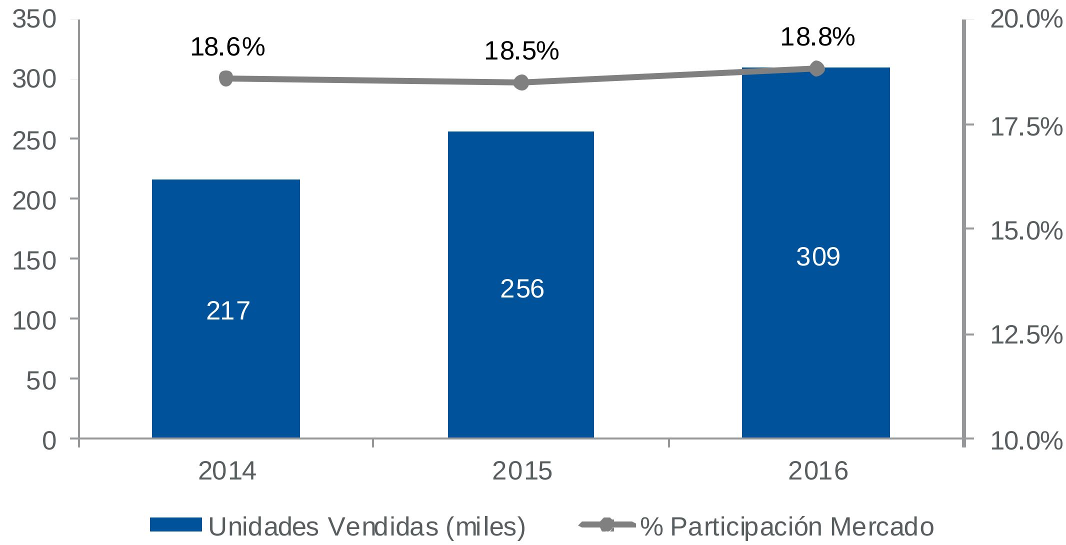
Industria Automotriz Mexicana y Participación de Mercado



Fuente: AMIA

Nuestro negocio se encuentra ligado primordialmente al desempeño de las ventas de General Motors en México. La siguiente gráfica muestra el número de vehículos vendidos por los Distribuidores por los años 2014, 2015 y 2016.

Unidades General Motors Vendidas y su Porcentaje de Participación en el Mercado



Fuente: JATO Dynamics

Políticas de crédito y procedimientos de autorización

Procedimientos de Aprobación de Crédito Comercial

Contamos con un área especializada que analiza las solicitudes de créditos para las operaciones de mayoreo, al amparo del Plan Piso.

Previo a la aprobación de líneas de crédito para operaciones al mayoreo, recabamos la información financiera y operativa del Distribuidor que, conforme a los procedimientos de crédito, nos permita llegar a una determinación objetiva para otorgarles o no un préstamo. Nuestro análisis incluye la revisión de la situación financiera y documentación legal de cada Distribuidor solicitante. Con dicho análisis, determinamos el nivel de riesgo y las garantías aplicables. Generalmente, cada cuenta por cobrar generada por el financiamiento al Distribuidor es garantizada por todos los vehículos propiedad de dicho Distribuidor que fueron objeto de financiamiento, y en algunos casos, por otros bienes y garantías que el Distribuidor extiende a favor de nuestra empresa.

Una vez realizado el análisis, preparamos una recomendación escrita, ya sea aprobando o rechazando la solicitud de crédito. Dependiendo del monto de la línea de crédito solicitada y del perfil financiero del Distribuidor, en algunos casos transmitimos nuestra recomendación a nuestra oficina ejecutiva para confirmar la aprobación o rechazo.

Una vez que se aprueba la línea de crédito se documenta en un contrato de crédito, el cual permite disposiciones de las líneas revolventes, siempre y cuando el Distribuidor cumpla con nuestras políticas de crédito y con los términos y condiciones fijados en el contrato respectivo.

Las líneas de crédito otorgadas típicamente se mantienen vigentes por un periodo de un año.

Procedimiento de Documentación

Los créditos comerciales conocidos como Plan Piso se otorgan al amparo de contratos de apertura de crédito en cuenta corriente con garantía prendaria, donde se establecen los términos y condiciones para disponer del crédito, los plazos de pago, las tasas de interés, así como otras características de los mismos. Generalmente, se incluye como fiador y/o aval al principal accionista del Distribuidor tanto en el contrato de apertura de crédito como en el pagaré correspondiente. Mediante el contrato de apertura de crédito, adquirimos una garantía prendaría sin transmisión de posesión sobre los vehículos que el Distribuidor adquiere a través de dicho financiamiento. En algunos casos, podemos requerir garantías adicionales como cartas de crédito, bienes inmuebles, propiedad del Distribuidor o de algún tercero. También ofrecemos préstamos de capital y líneas revolventes para capital de trabajo, para lo cual solicitamos garantías reales con las que se pueda sustentar dicho préstamo.

Nuestras operaciones de crédito comercial exigen garantías sujetas a la legislación mexicana en vigor y los documentos respectivos se protocolizan e inscriben en los registros públicos correspondientes. En los créditos comerciales se establece la obligación a cargo del Distribuidor de adquirir y mantener seguros de daños sobre los vehículos en exhibición, al igual sobre las garantías respectivas, sean éstas prendarías o hipotecarias.

Procedimiento de aprobación Crédito de Consumo

El procedimiento para la aprobación de una solicitud de crédito o arrendamiento automotriz y la compra del contrato de crédito o arrendamiento otorgado por nuestra empresa inicia en el momento en el que el consumidor final acude a un Distribuidor para la compra de un vehículo a través de un financiamiento o arrendamiento. El cliente solicita al Distribuidor una cotización para el financiamiento o arrendamiento automotriz, en su caso, de acuerdo a sus necesidades. Si dicha cotización cubre las necesidades del cliente, el Distribuidor le entrega una solicitud de crédito o arrendamiento y una lista de requisitos con los que debe cumplir para ser sujeto de crédito o arrendamiento automotriz, en su caso.

El cliente entrega el formato de solicitud de crédito o arrendamiento y los documentos solicitados. La información del cliente es capturada a través de un sistema que utiliza el Distribuidor, el cual es proveído por nuestra empresa, y la información es transmitida a nuestros sistemas.

Una vez ingresada y transmitida la información de la solicitud de crédito o arrendamiento, en su caso, nuestro sistema, de manera automática, procesa la información y hace una conexión con nuestro proveedor de información crediticia, obteniendo la información del cliente correspondiente, enviándonos los resultados sobre la capacidad crediticia del cliente, de conformidad con un conjunto de variables designadas por el área de riesgo y un conjunto de alertas, tanto de perfil de fraude como de lavado de dinero. Al terminar dichas evaluaciones automáticas, nuestro sistema genera un número de referencia, el cual funciona como identificador de dicha solicitud.

Nuestros analistas de crédito, quienes tienen conocimiento y experiencia necesarios para realizar el análisis de crédito, cuentan con niveles y límites de autorización definidos para la toma de decisiones respecto del otorgamiento del crédito o arrendamiento correspondiente. Nuestros analistas comienzan realizando una serie de validaciones dentro de las cuales se encuentran, calificación crediticia, experiencia de crédito con la compañía, tipo de unidad, plan, plazo, pago mensual, datos generales del cliente, historial crediticio, arraigo tanto en su domicilio particular como del empleo.

Nuestros analistas de crédito proceden a calcular la capacidad de pago del cliente, a efecto de dar una respuesta al Distribuidor, con base en los tiempos establecidos. Los tipos de respuesta que pueden ser otorgadas al distribuidor son las siguientes:

1. Aprobada. Para las solicitudes que fueron aceptadas de acuerdo a las condiciones originales y considerando los procedimientos descritos anteriormente.

2. Calificada. Para las solicitudes que están sujetas a cumplir con algún requerimiento adicional o bien ajustarse a condiciones establecidas por cada analista, para que se pueda otorgar el crédito (entre otras, solicitar un aval, inversión inicial mayor, mensualidades máximas o documentos adicionales).

3. Activa. Para las solicitudes, en las que no es posible otorgar una respuesta por no tener la información completa, la misma sea incorrecta o se encuentre en revisión.

4. Rechazada. Para las solicitudes que de acuerdo a sus características, no cumplen con los criterios y políticas necesarios para el otorgamiento del crédito, (por ejemplo, historial irregular en el buró de crédito, ingresos insuficientes, historial no satisfactorio, entre otros).

Una vez tomada la decisión de crédito o arrendamiento, la misma es informada al Distribuidor a través de nuestro sistema, para que pueda proceder a la firma del contrato o solicitar al cliente que cumpla con algún otro requerimiento que fuese solicitado por el analista de crédito. En el supuesto que el cliente desea realizar cambios en las condiciones del crédito o arrendamiento, el Distribuidor volverá enviar la solicitud para que esta sea analizada nuevamente por el equipo de análisis.

2.2. Canales de Distribución

Nuestro principal canal de distribución está conformado por (1) los Distribuidores y (2) distribuidores de marcas distintas a General Motors que tengan celebrado el contrato de plan piso y global menudeo. Al amparo de este último se otorgaran aperturas de crédito simple para la adquisición de bienes de consumo duradero en favor de terceros. Es directamente en estos canales de distribución donde se publicitan y promueven los servicios y la asistencia financiera de nuestra empresa; asimismo, en conjunto con General Motors se realizan campañas de promoción en México, logrando de esta forma sinergias entre estas empresas.

Tenemos contacto con nuestros clientes a través de nuestra oficina central; además contamos con varios representantes de ventas que dan servicio y asesoría a distintas zonas en el país. De igual manera, para la labor de cobranza judicial y extrajudicial existen diferentes zonas distribuidas estratégicamente a lo largo del país. Adicional a esto, contamos con un número telefónico sin costo, con cobertura nacional, y con un centro de servicio y de atención al cliente que atiende y canaliza necesidades, sugerencias y quejas de nuestros clientes, así como un centro de asistencia a través de correo electrónico.

Contamos con presencia en todos los estados de la República Mexicana a través de la red de Distribuidores y principalmente con una mayor presencia en las zonas de la Ciudad de México y Área metropolitana con una participación de 27.2%, en el Noreste del 19.8%, y en el Occidente y Centro en conjunto del 23.2%. Al 31 de diciembre de 2016, comparado con información al cierre de 2015 y 2014 nuestra distribución de la cartera crediticia por zona geográfica es la siguiente:

Porcentaje de cartera total			
Zona	2016	2015	2014
DF y Área Metropolitana	27.2%	30.1%	29.5%
Noreste	19.8%	19.2%	18.9%
Occidente	12.2%	10.8%	10.8%
Centro	11.0%	10.7%	10.6%
Sur	9.3%	9.1%	9.5%
Oriente	8.6%	8.9%	9.4%
Noroeste	7.1%	6.3%	5.8%
Sureste	4.9%	4.9%	5.5%
	100%	**100%**	**100%**

La distribución de zonas geográficas del país se integra como sigue:

ZONAS

DF y Area Metropolitana	Distrito Federal Estado de México
Sureste	Yucatán Quintana Roo Campeche
Noreste	Tamaulipas Nuevo León Coahuila Chihuahua
Noroeste	Sonora Baja California Baja California Sur Durango
Occidente	Sinaloa Jalisco Nayarit Colima Michoacán
Centro	Aguascalientes Guanajuato San Luis Potosí Querétaro Zacatecas
Sur	Puebla Morelos Guerrero Oaxaca Chiapas
Oriente	Hidalgo Tabasco Tlaxcala Veracruz

2.3. Patentes, Licencias, Marcas y otros Contratos

No existen patentes, licencias, marcas, franquicias, contratos industriales o comerciales o de servicios financieros que consideremos relevantes para el desarrollo de nuestros negocios. Los derechos de uso de las marcas que utilizamos en el giro ordinario de nuestros negocios derivan (i) del otorgamiento de licencias a nuestro favor por parte, directa o indirecta, de General Motors; o (ii) de la titularidad de los derechos de uso de las marcas de nuestra propiedad.

2.4. Principales Clientes

Por la naturaleza de las operaciones de crédito de menudeo no existe un cliente que en lo individual represente una concentración relevante de nuestros ingresos.

En relación con los créditos de mayoreo, ningún Distribuidor ostenta más del 2% de participación en la cartera vigente a diciembre de 2016, 2015 y 2014, respectivamente.

A continuación se muestran los saldos de 10 Distribuidores que presentan el mayor saldo insoluto de financiamiento comercial contratado con nosotros, al 31 de diciembre 2016:

Distribuidores GM de México	
Posición	Saldo en Millones de Pesos
1	$383
2	$374
3	$297
4	$271
5	$239
6	$238
7	$215
8	$209
9	$185
10	$181

2.5. Legislación Aplicable y Situación Tributaria

Marco Regulatorio

Derivado de la Calidad y Actividades de Nuestra Empresa

De manera general, somos una entidad sujeta a la legislación aplicable a las sociedades mercantiles en México, como lo es la Ley General de Sociedades Mercantiles. Además, en nuestro carácter de Sociedad Financiera de Objeto Múltiple, Entidad Regulada, nos encontramos sujetos a las disposiciones aplicables de la Ley General de Organizaciones y Actividades Auxiliares del Crédito, la Ley para la Transparencia y el Ordenamiento de los Servicios Financieros y la Ley de Protección y Defensa al Usuario de Servicios Financieros y la Ley Federal de Protección al Consumidor. Igualmente, nos resultan aplicables diversas regulaciones en materia de (i) calificación de cartera crediticia y constitución de estimaciones preventivas por riesgo crediticio, (ii) la revelación y presentación de información financiera y auditores externos, (iii) contabilidad y (iv) la prevención de operaciones con recursos de probable procedencia ilícita, emitidas por la CNBV. En cuanto a nuestras actividades comerciales, la Ley General de Títulos y Operaciones de Crédito también nos resulta aplicable. Finalmente; en lo referente a la colocación de instrumentos inscritos en el RNV, somos sujetos a las disposiciones de la Ley del Mercado de Valores.

Supervisión

Como Sociedad Financiera de Objeto Múltiple, Entidad Regulada, nos encontramos supervisados principalmente por la Comisión Nacional Bancaria y de Valores, la Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros, Banco de México y Procuraduría Federal del Consumidor.

De conformidad con lo establecido en las Disposiciones de carácter general a que se refieren los artículos 115 de la Ley de Instituciones de Crédito en relación con el 87-D de la Ley General de Organizaciones y Actividades Auxiliares del Crédito y 95-Bis de este último ordenamiento, aplicables a las sociedades financieras de objeto múltiple, estamos obligados, entre otras cosas, a:

- Desarrollar políticas de conocimiento de cliente de conformidad con las disposiciones antes mencionadas;

- Notificar a la Comisión Nacional Bancaria y de Valores de operaciones inusuales, operaciones relevantes y operaciones internas preocupantes, de manera regular;

- Contar con estructuras internas como un Oficial de Cumplimiento y un comité de comunicación y control para atender temas en materia de anti-lavado.

- Resguardar documentos relevantes por un periodo de al menos 10 años;y

- Remitir a la Comisión anualmente el informe de Auditoría en materia de PLD.

Régimen Aplicable a las Sociedades Financieras de Objeto Múltiple, Entidades Reguladas

El 10 de enero de 2014 fue publicado en el Diario Oficial de la Federación el “Decreto por el que se reforman, adicionan y derogan diversas disposiciones en materia financiera y se expide la Ley para Regular las Agrupaciones Financieras”, mediante el cual se reformaron, entre otras, diversas disposiciones del Capítulo II del Título Quinto de la Ley General de Organizaciones y Actividades Auxiliares del Crédito (LGOAAC) aplicables a las Sociedades Financieras de Objeto Múltiple Reguladas y No Reguladas conforme a las cuales se consideran como SOFOM E.R. a aquellas sociedades financieras de objeto múltiple que: (i) emitan directamente valores de deuda a su cargo, inscritos en el Registro Nacional de Valores conforme a la Ley del Mercado de Valores, (ii) emitan dichos valores a través de un fideicomiso del que forme parte como fideicomitente, cedente, administrador del patrimonio fideicomitido, o bien se constituya como garante o avalista de dichos valores o (iii) cuando el cumplimiento de las obligaciones en relación con los títulos que se emitan al amparo del fideicomiso respectivo dependan total o parcialmente de dicha SOFOM.

GMF México es actualmente emisora de valores de deuda inscritos en el Registro Nacional de Valores; razón por la cual, el día 21 de abril de 2015 sus accionistas celebraron una Asamblea General Extraordinaria mediante la cual se adoptó el carácter de Sociedad Financiera de Objeto Múltiple, Entidad Regulada, o SOFOM E.R. reformando así sus Estatutos Sociales, de conformidad con lo dispuesto por los Artículos 87-B y 87-D Fracción V de la LGOAAC.

A razón de lo anterior, la empresa ha dado cumplimiento a cada uno de los requisitos establecidos en el artículo 87- B de la LGOAAC, de entre los que se destacan:

I. Contemplar expresamente como objeto social principal la realización habitual y profesional de una o más de las actividades de otorgamiento de crédito, arrendamiento financiero o factoraje financiero; y

II. Agregar a la denominación social la expresión "sociedad financiera de objeto múltiple" o su acrónimo "SOFOM", seguido de las palabras "entidad regulada" o su abreviatura "E.R."

Así mismo, todas aquellas operaciones de crédito, arrendamiento financiero, arrendamiento puro, y factoraje financiero que llegue a celebrar la Empresa, así como en las demás actividades que los Estatutos y la ley expresamente la faculte se señalará expresamente que no se requiere autorización de la Secretaría de Hacienda y Crédito Público para operar.

Situación Tributaria

De conformidad con lo establecido por la Ley del Impuesto al Valor Agregado y sujeto al cumplimiento de ciertos requisitos, los intereses recibidos o pagados por una sociedad financiera de objeto múltiple están exentos del impuesto al valor agregado. Igualmente, respecto de lo establecido por la Ley del Impuesto Sobre la Renta, los intereses pagados por una sociedad financiera de objeto múltiple a un residente en el extranjero para efectos fiscales están sujetos a una tasa de retención del 4.9% y ciertas reglas de capitalización delgada no les resultan aplicables a dicho tipo de sociedades financieras.

No recibimos beneficios de subsidio fiscal alguno, ni nos encontramos sujetos al pago de impuestos especiales.

Actualmente, no estamos sujetos a auditorías o procedimientos por parte de las autoridades fiscales y no contamos con pérdidas fiscales pendientes de amortizar.

2.6. Recursos Humanos

Tenemos celebrado un contrato de prestación de servicios especializados con Servicios GMAC, S.A. de C.V. (una sociedad afiliada a GMF México), por medio del cual nos provee de servicios administrativos. Al 31 de diciembre de 2016, Servicios GMAC, S.A. de C.V. contaba con 364 empleados, de los cuales, aproximadamente el 10% está contratado bajo un esquema de empleo temporal.

Al 31 de diciembre de 2016, ningún empleado de Servicios GMAC, S.A. de C.V. se encuentra sindicalizado.

2.7. Desempeño Ambiental

Por la naturaleza de nuestras operaciones, no estamos obligados a cumplir con regulación de carácter ambiental. Consideramos que las actividades primordiales para el desarrollo y correcto funcionamiento de nuestro negocio, no representan un riesgo ambiental considerable.

2.8. Información del Mercado

El mercado nacional de financiamiento automotriz está integrado principalmente por las subsidiarias financieras de las casas automotrices como Ford Credit de México, NR Finance México, Daimler Chrysler Financial Services, VW Financial Services, Toyota Financial Services, BMW Financial Services de México y algunas instituciones bancarias como Bancomer, Scotiabank Inverlat, HSBC, Banorte y Banamex. En el área de crédito comercial hemos celebrado contratos de crédito con todos los Distribuidores de la red General Motors a diciembre de 2016.

Para ventas al menudeo la participación de mercado se encuentra distribuida entre empresas financieras filiales de las empresas armadoras, bancos, y de otros organismos que ofrecen alternativas de adquisición de vehículos mediante el sistema de subastas.

Entre las ventajas competitivas de GMF México destacan:

- Se ofrece una gama de planes y de programas de financiamiento que buscan cubrir diferentes nichos de mercado.

- El contar con tasas y esquemas de pago competitivos.

- Se ofrecen planes para personas físicas que no puedan comprobar ingresos de la manera tradicional.

- Más de 80 años de experiencia en crédito automotriz.

- Tecnología de punta y vanguardia en sus sistemas de información.

- Capacitación y asesoría continúa a los Distribuidores.

- La relación entre GMF México y sus clientes es ganar-ganar: Los Distribuidores aumentan sus ventas gracias a los atractivos planes de financiamiento y tienen acceso a recursos financieros para la comercialización de sus productos.

- Profundo conocimiento del mercado de financiamiento de vehículos, lo cual posiciona a GMF México como una de las compañías líderes en su ramo.

- Equipo gerencial con amplia experiencia en el negocio que se desarrolla en GMF México.

- Estructura operativa moderna e integrada, lo cual le permite operar en forma ágil, rápida y segura.

- Procesos sólidos que cubren adecuadamente las tareas de atención al cliente y cobranza.

- Las estadísticas de cartera vencida y morosa, tanto del mercado comercial como de consumo presentan un nivel de desempeño adecuado, en comparación con el resto de la industria.

La información contenida en la presente sección ha sido obtenida de la Asociación Mexicana de la Industria Automotriz, A.C., JATO Dynamics Limited, General Motors Company y datos de la misma Compañía.

Al financiar primordialmente la venta de autos de la marca de General Motors, nuestro desempeño se encuentra ligado al comportamiento del mercado automotriz en México, de igual manera, el crecimiento de nuestras operaciones depende, en gran medida, del crecimiento de las ventas de General Motors en México.

La tabla que se presenta a continuación muestra el desempeño de las ventas de autos de la marca General Motors en México, en comparación con las ventas de los demás participantes del sector automotriz en México en los años 2016 y 2015.

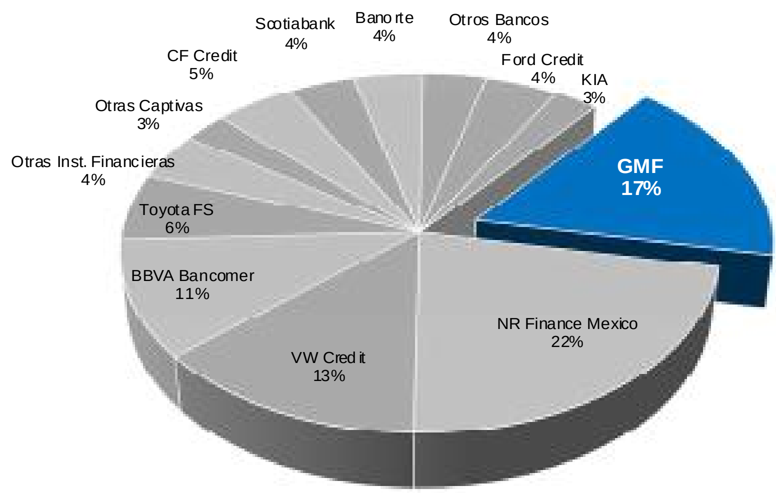
	2016		2015		Variaciones	
	Ventas	**% Part.**	**Ventas**	**% Part.**	Crecimiento	% Part.
NISSAN	403,286	24.5	348,942	25.1	15.6	-0.6
GM	**308,624**	**18.8**	**256,150**	**18.5**	**20.5**	**0.3**
	247,368	15.0	218,616	15.8	13.2	-0.7
TOYOTA	104,955	6.4	84,779	6.1	23.8	0.3
CHRYSLER	103,907	6.3	103,052	7.4	0.8	-1.1
Ford	101,640	6.2	89,594	6.5	13.4	-0.3
HONDA	90,168	5.5	75,928	5.5	18.8	0.0
KIA	58,112	3.5	11,021	0.8	427.3	2.7
	54,855	3.3	57,394	4.1	-4.4	-0.8
HYUNDAI	36,287	2.2	26,251	1.9	38.2	0.3
Otros	136,696	8.3	116,200	8.4	17.6	-0.1
	1,645,898	**100**	**1,387,927**	**100**	**18.6**	

Fuente: Jato Dynamics

Industria del Financiamiento Automotriz en México

La gráfica que se presenta a continuación muestra la participación de GMF México en la industria del financiamiento automotriz durante el año de 2016.

Participación en el mercado de financiamiento

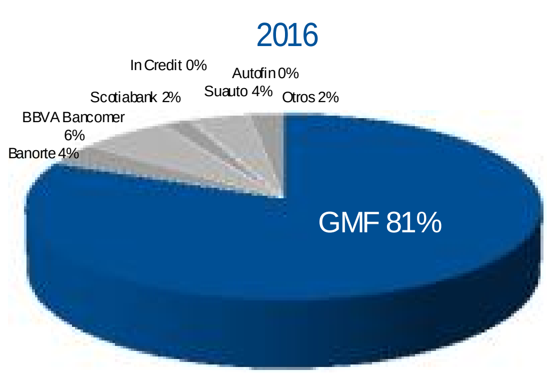


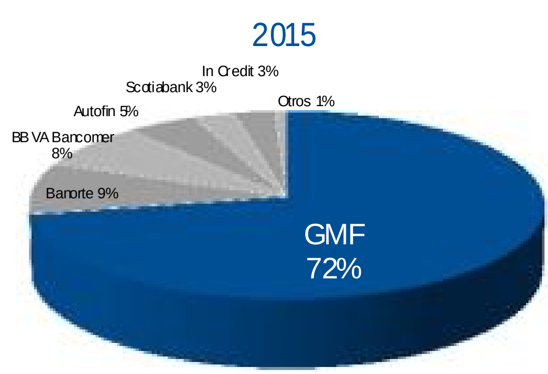
Fuente: JATO Dynamics

El total de las ventas automotrices financiadas por nuestra empresa representan alrededor del 17% del mercado durante el 2016.

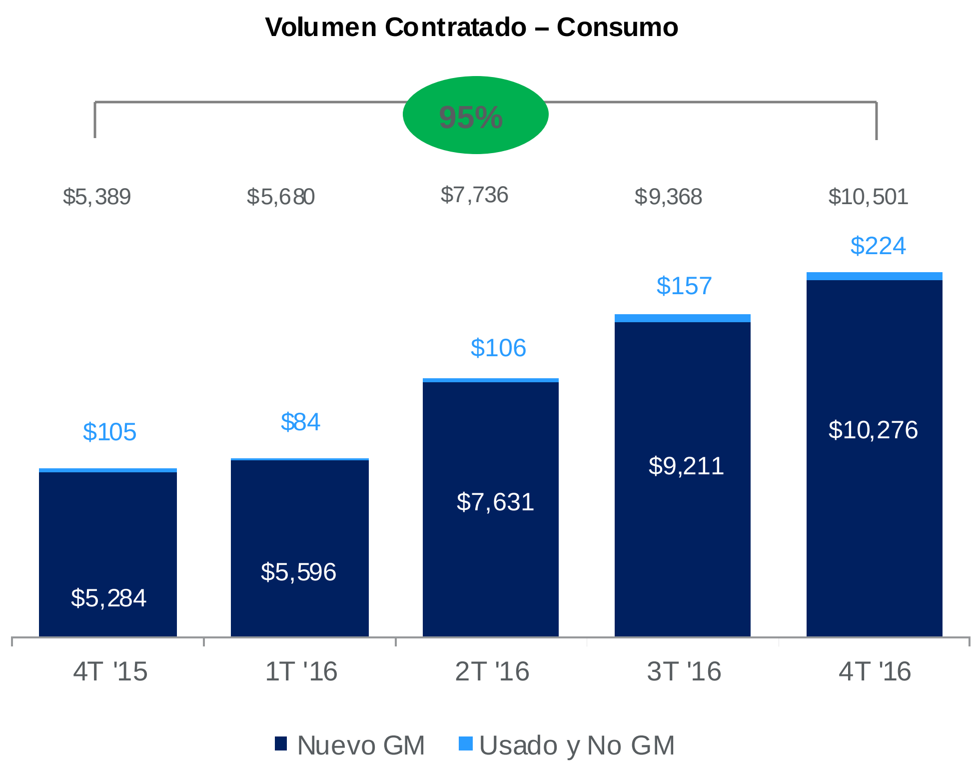
La gráfica que se presenta a continuación muestra la participación de GMF México dentro de las ventas financiadas de General Motors en México durante el año de 2016 y 2015.

Participación de GMF México vs Ventas Financiadas GM





La siguiente gráfica muestra el incremento de 95% en el volumen de menudeo contratado al cierre del 31 de diciembre de 2016 respecto del 31 de diciembre de 2015. Dicho incremento es atribuido a mayor volumen de ventas por parte de General Motors y mayor coordinación con General Motors y la red de Distribuidores.



2.9. Estructura Corporativa

2.10. Descripción de los Principales Activos

Por la naturaleza de GMF México nuestro activo más importante es nuestra cartera de crédito. La cual está representada por créditos comerciales y de consumo en moneda nacional. El monto de la cartera de crédito al 31 de diciembre de 2016, asciende a $53,635 millones de pesos. Derivado de las operaciones de financiamiento de GMF México existen activos restringidos dentro del rubro de cartera de crédito por un monto que asciende a $29,486 millones de pesos al 31 de diciembre de 2016, cuyos detalles se encuentran en las notas de los Estados Financieros.

La cartera vigente de GMF México al 31 de diciembre de 2016, 2015 y 2014, es la siguiente:

Distribución de la cartera:

Distribución de la cartera de crédito
(Cifras en miles de pesos)

	31 de Diciembre 2016	31 de Diciembre 2015	31 de Diciembre 2014
Cartera Vigente			
Comercial	19,463,307	15,270,559	11,445,604
Consumo	33,634,660	20,120,336	14,667,052
Total Vigente	53,097,967	35,390,895	26,112,656
Cartera Vencida			
Comercial	64,524	48,177	47,623
Consumo	472,517	267,757	223,569
Total Vencida	537,041	315,934	271,192
Total Cartera	53,635,008	35,706,829	26,383,848

Calificación de la Cartera:

Calificación de la Cartera de Crédito (Cifras en miles de pesos)	31 de Diciembre 2016	31 de Diciembre 2015	31 de Diciembre 2014
Calificación de Cartera			
Riesgo A	49,651,106	33,907,884	24,743,890
Riesgo B	2,319,811	928,339	943,993
Riesgo C	615,905	197,640	215,456
Riesgo D	445,610	347,100	228,090
Riesgo E	602,576	325,866	252,420
Total Cartera	53,635,008	35,706,829	26,383,848

Sin perjuicio de lo establecido en el párrafo anterior, hemos aportado, en calidad de fideicomitentes, cierto porcentaje de nuestra cartera a efecto de celebrar los siguientes contratos de fideicomiso:

(i) Contrato de Fideicomiso Maestro Irrevocable número F/804, celebrado el 24 de septiembre de 2008 entre el Emisor, en su carácter de fideicomitente, Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, en su carácter de fiduciario, y Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, como representante común de los tenedores. En términos generales, en virtud de dicho fideicomiso se implementó un mecanismo para bursatilizar ciertas cuentas por cobrar aportadas al patrimonio de dicho Fideicomiso F/804 por el Emisor.

(ii) Contrato de Fideicomiso Irrevocable número F/00251, celebrado el 14 de octubre de 2005 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y CIBanco, S.A., Institución de Banca Múltiple (antes The Bank of New York Mellon, S.A., Institución de Banca Múltiple), como fiduciario. En términos generales, en virtud del Fideicomiso F/00251 se estableció un mecanismo para (i) el financiamiento de ciertos créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, y (ii) la emisión del pagaré pagadero a la orden del fideicomisario en primer lugar, solamente con los recursos del patrimonio del mismo.

(iii) Contrato de Fideicomiso Irrevocable número F/242896, celebrado el 31 de agosto de 2007 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria, como fiduciario. Dicho fideicomiso fue modificado en virtud de un convenio de sustitución fiduciaria, de fecha 6 de febrero de 2013 en el cual HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria fue sustituido por Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario como fiduciario del mismo y dicho a fideicomiso le fue reasignado como número de identificación, el F/1380. En virtud de dicho fideicomiso se estableció un mecanismo para que el fideicomisario en primer lugar pudiera invertir en pagarés emitidos por el fiduciario mediante (i) la cesión y aportación de créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, así como de todos los derechos y obligaciones previstos en los contratos de intercambio de tasas de interés, en su caso, por parte del fideicomitente al fiduciario de conformidad con ciertos contratos de cesión correspondientes, y (ii) el fondeo por parte del fideicomisario en primer lugar y la emisión por parte del fiduciario del pagaré pagadero a la orden del fideicomisario en primer lugar, con recurso limitado únicamente al patrimonio del fideicomiso aquí descrito.

(iv) Contrato de Fideicomiso Irrevocable número F/2965, celebrado el 31 de marzo de 2016 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y Banco Monex, S.A., Institución de Banca Múltiple, Monex Grupo Financiero, como fiduciario. En términos generales, en virtud del fideicomiso aquí descrito se implementó un mecanismo para proporcionar financiamiento al Emisor y que la misma adquiera ciertos créditos por parte del fideicomisario en primer lugar, en los términos establecidos en dicho fideicomiso.

Manifestamos que los fideicomisos anteriormente enlistados no se encuentran consolidados a los activos totales de la Emisora.

Salvo por la cartera aportada al patrimonio de los fideicomisos descritos anteriormente, manifestamos que no existe cartera adicional que pueda calificar como restringida en el patrimonio de la Emisora.

2.11. Procesos Judiciales, Administrativos o Arbitrales

Al 31 de diciembre de 2016, el Emisor no cuenta con litigios cuyo beneficio o contingencia, en lo individual, alcance una suma igual o superior al 10% de nuestros activos. Consideramos poco probable que en el futuro existan procesos judiciales, administrativos o arbitrales, distintos de aquellos que forman parte del curso ordinario de nuestro negocio. Sin embargo, dicha situación podría manifestarse.

2.12. Acciones representativas del capital

Contamos con un capital social mínimo fijo, sin derecho a retiro, de $50,000,000.00, representado por 1,000 acciones ordinarias, nominativas, sin expresión de valor nominal, clase I, totalmente suscritas y pagadas.

La parte variable de nuestro capital social es ilimitada y, en su caso, estará representada por acciones nominativas, sin expresión de valor nominal, clase II, cuyas características serán determinadas en su oportunidad por la asamblea general de accionistas que apruebe su emisión. A la fecha del presente Reporte Anual, no hemos emitido acciones representativas de la parte variable de nuestro capital social.

Nuestro capital social no ha sufrido aumentos o disminuciones en los últimos tres ejercicios sociales. La última modificación al capital social tuvo lugar mediante resoluciones adoptadas por los accionistas fuera de asamblea, el 22 de diciembre de 2008, donde se aprobó aumentar la parte mínima fija del capital social en $8,000,000.00.

2.13. Dividendos

El 23 de junio de 2015 la asamblea general ordinaria de accionistas aprobó el pago de un dividendo a favor de nuestros accionistas por $600 millones de pesos con cargo a la cuenta de utilidades pendientes de distribuir, que incluye, entre otros, los resultados que arrojaron nuestros estados financieros al 31 de diciembre de 2014, los cuales fueron aprobados en la asamblea general anual ordinaria de accionistas del 17 de abril de 2015. El dividendo se pagó a razón de $600,000.00 por cada acción representativa de nuestro capital social. Dicho pago no disminuyó nuestro capital social, ni la reserva legal que debemos mantener en términos de nuestros estatutos sociales y la legislación aplicable.

El 23 de mayo de 2014 la asamblea general ordinaria de accionistas aprobó el pago de un dividendo a favor de nuestros accionistas por $1,000 millones de pesos con cargo a la cuenta de utilidades pendientes de distribuir, que incluye, entre otros, los resultados que arrojaron nuestros estados financieros al 31 de diciembre de 2013, aprobados en asamblea general anual ordinaria de accionistas del 25 de abril de 2014. El dividendo se pagó a razón de $1,000,000.00 pesos por cada acción representativa de nuestro capital social.

El 19 de diciembre de 2012 la asamblea general ordinaria de accionistas aprobó el pago de un dividendo a favor de nuestros accionistas por $2,500 millones de pesos con cargo a la cuenta de utilidades pendientes de distribuir, que incluye, entre otros, los resultados que arrojaron nuestros estados financieros al 31 de diciembre de 2011, aprobados en asamblea general anual ordinaria de accionistas del 30 de abril de 2012. El dividendo se pagó a razón de $2,500,000.00 pesos por cada acción representativa de nuestro capital.

La asamblea de accionistas no ha definido una política relativa al pago de dividendos, sin embargo, los accionistas pueden resolver el pago de dividendos mediante la celebración de una asamblea de accionistas.

III. INFORMACIÓN FINANCIERA

1. Información Financiera Seleccionada

GM FINANCIAL DE MÉXICO, S.A. DE C.V. SOFOM ER
Balance General
(Montos en pesos)

	31 de Diciembre de		
	2014	2015	2016
Activo			
Disponibilidades	1,178,666,805	1,488,176,556	1,908,163,853
Inversiones en Valores	0	0	0
Deudores por reporto	1,504,079,638	1,541,614,669	2,405,629,552
Derivados con fines de negociación	7,475,804	9,839,172	331,896,558
Cartera de Crédito Vigente	26,112,655,937	35,390,894,945	53,097,967,596
Cartera de Crédito Vencida	271,191,761	315,934,320	537,040,657
Total Cartera de Crédito	26,383,847,698	35,706,829,265	53,635,008,253
Esimación Preventiva para			
Riesgos Crediticios	(509,776,510)	(714,125,945)	(1,174,130,256)
Cartera de Crédito (Neto)	25,874,071,188	34,992,703,320	52,460,877,997
Otras Cuentas por Cobrar	87,974,066	284,256,262	464,030,686
Bienes adjudicados	0	99,642	57,000
Inmuebles, Mobiliario y Equipo (Neto)	55,535,080	147,039,121	1,282,682,736
Inversiones Permanentes	0	0	0
Impuestos y PTU diferidos	245,873,212	371,398,759	867,165,998
Otros Activos	637,435,450	759,838,205	1,296,497,565
Total Activo	**29,591,111,243**	**39,594,965,706**	**61,017,001,945**
Pasivo			
Pasivos Bursátiles	1,102,495,167	1,403,429,319	1,186,142,500
Préstamos Bancarios y Otros Organismos	16,710,087,091	24,626,858,328	38,742,882,032
Derivados con fines de negociación	24,937,866	4,469,539	0
Otras Cuentas por Pagar	4,345,697,341	5,659,305,846	10,215,827,542
Créditos Diferidos y Cobros anticipados	642,483,120	981,990,957	2,890,064,696
Total Pasivo	**22,825,700,585**	**32,676,053,989**	**53,034,916,770**
Capital Contable			
Capital Contribuido			
Capital Social	85,986,339	85,986,339	85,986,339
Capital Ganado			
Reservas de Capital	25,915,938	25,915,938	25,915,938
Resultados de ejercicios anteriores	5,925,011,252	6,053,679,207	6,807,311,281
Insuficiencia en la Actualización			
Resultado neto	728,497,129	753,330,233	1,062,871,617
Total Capital Contable	**6,765,410,658**	**6,918,911,717**	**7,982,085,175**
Total Pasivo y Capital Contable	**29,591,111,243**	**39,594,965,706**	**61,017,001,945**

GM FINANCIAL DE MÉXICO, S.A. DE C.V. SOFOM ER
Estado de Resultados
(Montos en pesos)

	31 de Diciembre de		
	2014	2015	2016
Ingresos y Gastos Financieros			
Ingresos por Intereses	2,669,384,121	3,374,638,657	4,913,256,763
Gastos por Intereses	818,706,817	1,025,669,757	1,925,489,286
Resultado por posición monetaria neto (margen financiero)	0	0	0
Margen Financiero	**1,850,677,304**	**2,348,968,900**	**2,987,767,477**
Esimación Preventiva para Riesgos Crediticios	326,465,717	481,891,155	851,005,008
Margen Financiero Ajustado por Riesgos Créditicios	**1,524,211,587**	**1,867,077,745**	**2,136,762,469**
Comisiones y tarifas cobradas	418,470,028	425,780,586	521,318,639
Comisiones y tarifas pagadas	414,487,823	548,660,741	761,992,214
Resultado por Intermediación	1,817,527	757,531	322,155,981
Resultado por arrendamiento operativo	1,320,809	10,043,747	75,507,740
Otros ingresos (egresos) de la operación	98,734,200	90,006,694	124,438,909
Gastos de Administración	723,652,442	818,119,897	1,027,185,579
	(617,797,701)	(840,192,080)	(745,756,524)
Resultado de la Operación	**906,413,886**	**1,026,885,665**	**1,391,005,945**
Participación en el resultado de subsidiarias no consolidadas y asociadas	0	0	0
Resultado antes de Impuesto a la Utilidad	**906,413,886**	**1,026,885,665**	**1,391,005,945**
Impuestos a la utilidad causados	170,997,809	399,080,979	823,901,566
Impuestos a la utilidad diferidos (netos)	6,919,948	(125,525,547)	(495,767,238)
	177,917,757	273,555,432	328,134,328
Resultado antes de operaciones discontinuadas	**728,496,129**	**753,330,233**	**1,062,871,617**
Operaciones discontinuadas	0	0	0
Resultado Neto	**728,496,129**	**753,330,233**	**1,062,871,617**

2. Información Financiera por Línea de Negocio y Zona Geográfica

No contamos con información financiera específica por línea de negocio o zona geográfica, ni contamos con ventas de exportación.

Sin perjuicio de lo anterior, a efecto de ilustrar la diversificación geográfica y por línea de negocio y de nuestra empresa, a continuación se presentan tablas que muestran, la distribución de nuestra cartera crediticia vigente, organizada por producto y por estado dentro de México, por los periodos terminados el 31 de diciembre de 2016, 2015 y 2014.

% Cartera Total por Estado			
Estado	31 de Diciembre 2016	31 de Diciembre 2015	31 de Diciembre 2014
DISTRITO FEDERAL	14.4%	17.6%	16.3%
ESTADO DE MEXICO	12.9%	12.6%	13.2%
NUEVO LEON	7.7%	7.3%	6.9%
JALISCO	5.9%	5.5%	5.5%
VERACRUZ	5.1%	5.1%	5.2%
COAHUILA	4.8%	4.7%	4.8%
GUANAJUATO	4.7%	4.7%	4.8%
PUEBLA	4.3%	4.1%	4.5%
CHIHUAHUA	3.7%	3.6%	3.7%
TAMAULIPAS	3.5%	3.6%	3.5%
SINALOA	3.4%	2.6%	2.6%
QUERETARO	2.8%	2.8%	2.9%
SONORA	2.6%	2.5%	2.3%
YUCATAN	2.2%	2.4%	2.7%
BAJA CALIFORNIA	2.5%	2.0%	1.7%
CHIAPAS	2.0%	2.1%	2.0%
MICHOACAN	2.0%	1.8%	1.9%
SAN LUIS POTOSI	1.9%	1.9%	1.7%
TABASCO	1.7%	2.1%	2.5%
QUINTANA ROO	1.7%	1.2%	1.4%
CAMPECHE	1.0%	1.3%	1.4%
DURANGO	1.0%	1.1%	1.0%
HIDALGO	1.1%	1.1%	1.1%
MORELOS	1.0%	1.1%	1.1%
GUERRERO	1.0%	1.0%	0.9%
OAXACA	1.0%	0.9%	1.0%
AGUASCALIENTES	1.0%	0.8%	0.7%
BAJA CALIFORNIA SUR	0.8%	0.7%	0.7%
TLAXCALA	0.7%	0.6%	0.6%
ZACATECAS	0.6%	0.6%	0.5%
COLIMA	0.5%	0.4%	0.4%
NAYARIT	0.4%	0.4%	0.4%
Total	100%	100%	100%

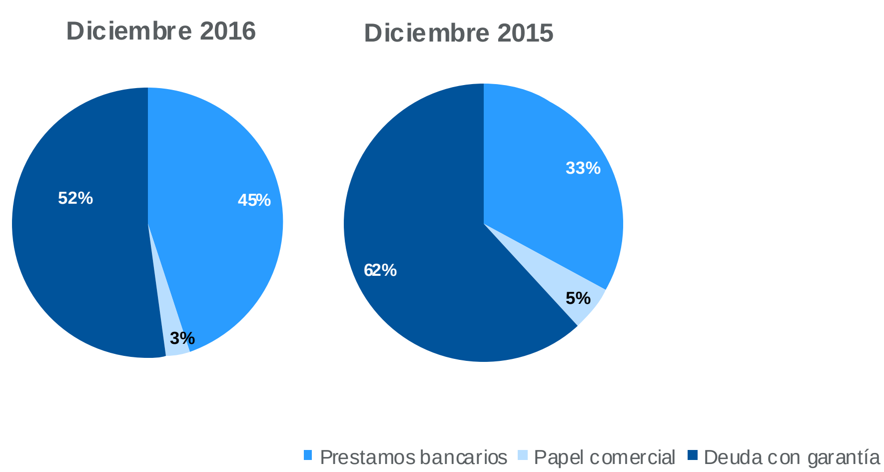
Ingreso acumulado por linea de negocio
(Cifras en miles de pesos)

	31 de Diciembre 2016	31 de Diciembre 2015	31 de Diciembre 2014
Ingreso por intereses			
Ingreso	4,913,257	3,374,639	2,669,384
Gasto	(1,925,489)	(1,025,670)	(818,707)
Margen Financiero	2,987,768	2,348,969	1,850,677
Ingreso por arrendamiento operativo			
Ingreso	226,647	30,107	3,640
Depreciación	(151,139)	(20,063)	(2,319)
Margen Financiero	75,508	10,044	1,321
Total Margen Financiero	3,063,276	2,359,013	1,851,998

3. Informe de Créditos Relevantes

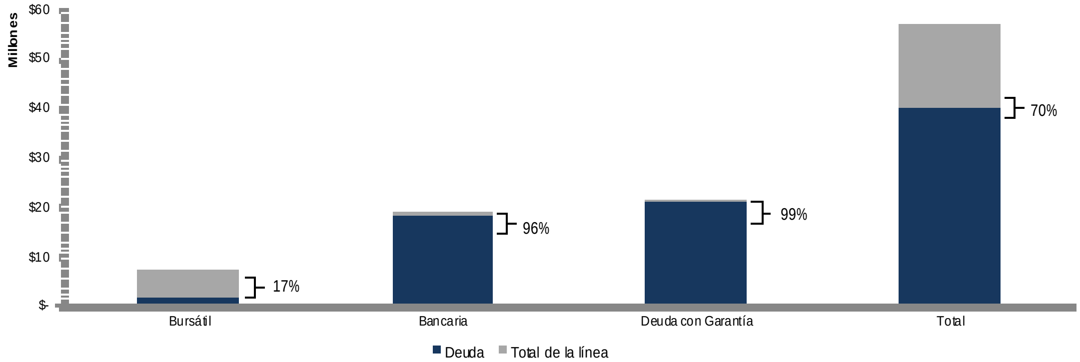
Financiamos nuestras operaciones, principalmente, a través de líneas de crédito quirografarias contratadas con bancos, nacionales y extranjeros, así como mediante emisiones de certificados bursátiles de deuda de corto plazo y bursatilizaciones de activos de financiamiento comercial y créditos intercompañías.

Distribución de la Deuda al 31 de diciembre de 2016 y 2015



Fuente: GMF México

A continuación se presenta un gráfico con la clasificación de la deuda y el porcentaje de utilización por tipo al 31 de diciembre de 2016:



Fuente: GMF México

Al 31 de diciembre de 2016, contábamos con líneas de crédito bancarias no comprometidas aprobadas por un monto total de $18,600 millones de pesos.

Al 31 de diciembre de 2016, habíamos utilizado un 95.7% del total de las líneas de crédito bancarias otorgadas en nuestro favor, representando a dicha fecha un saldo total insoluto de $17,795 millones de pesos.

Al 31 de diciembre de 2016, la Compañía cuenta con una línea de crédito intercompañías hasta por un monto total de $10 mil millones de pesos, de los cuales han sido dispuestos $3,631 millones de pesos.

Nuestros créditos bancarios devengan intereses a tasas fijas y variables, según sea el caso. Tratándose de las tasas variables, generalmente toman como base la Tasa de Interés Interbancaria de Equilibrio.

A la fecha del presente Reporte Anual estamos al corriente en la totalidad de los pagos de principal e intereses y obligaciones contratadas al amparo de los créditos mencionados con anterioridad y aquellos otros créditos o pasivos que se muestran en nuestro balance general.

A continuación se presenta una tabla con la clasificación de la deuda y el porcentaje de utilización por tipo:

Informe de Créditos Relevantes

	al 31 de diciembre de 2016		al 31 de diciembre de 2015 (cifras en miles de pesos)		al 31 de diciembre de 2014	
Préstamos con colateral, garantizado con activos crediticios	20,883,963	52%	16,053,436	62%	12,370,867	69%
Préstamos con instituciones de banca de desarrollo	2,508,283	6%	2,505,767	10%	2,505,719	14%
Préstamos Bancarios	15,350,636	38%	6,067,656	23%	1,833,501	10%
Pasivos Bursátiles	1,186,143	3%	1,403,429	5%	1,102,495	6%
Total de Créditos Revolventes	**39,929,025**	**100%**	**26,030,287**	**100%**	**17,812,582**	**100%**

Distribución de Créditos Relevantes por plazo

	al 31 de diciembre de 2016		al 30 de diciembre de 2015 (cifras en miles de pesos)		al 31 de diciembre de 2014	
Deuda de Corto Plazo	25,080,247	63%	16,391,682	63%	10,142,849	57%
Deuda a Largo Plazo	14,848,778	37%	9,638,605	37%	7,669,733	43%
Total de Créditos Revolventes	**39,929,025**	**100%**	**26,030,287**	**100%**	**17,812,582**	**100%**

Los créditos que a la fecha hemos contratado, incluyen ciertas obligaciones de hacer y no hacer. A la fecha del presente Reporte Anual, nos encontramos al corriente de las mismas, incluyendo las obligaciones de pago de capital e intereses adeudados, conforme a dichos créditos. Sin embargo, cualquier incumplimiento, por nuestra parte, de las obligaciones antes mencionadas, podría derivar en la actualización de las causas de vencimiento anticipado establecidas en los contratos que documentan los créditos que hemos contratado.

A continuación, presentamos un resumen de las principales obligaciones de hacer y no hacer contenidas en los créditos vigentes que hemos contratado, y que documentan nuestra deuda bancaria al 31 de diciembre de 2016.

Deuda Bancaria

Obligaciones de Hacer:

- Cumplir con todos los requerimientos de presentación o divulgación de información a que estemos obligados, en términos de la Ley del Mercado de Valores, las Disposiciones y las demás leyes aplicables.

- Subsanar, en un término de 15 Días Hábiles cualquier error o inexactitud de la información financiera y de cualquier otra naturaleza que le sea requerida por la CNBV y/o la BMV.

- Entregar copia de la información financiera auditada a los acreditantes respectivos dentro de los 6 meses posteriores al cierre del ejercicio fiscal.

- Mantener la Compañía debidamente organizada y constituida bajo las leyes mexicanas.

- Mantenernos al corriente en las fechas correspondientes todos los vencimientos relacionados al pago de capital e intereses.

Obligaciones de No Hacer:

- No cambiar de giro preponderante de nuestro negocio.

- No efectuar operaciones fuera del curso normal de nuestro negocio.

- No llevar a cabo cambios en la estructura accionaria que deriven en una pérdida de control o comprometan la existencia de nuestra Compañía.

Certificados Bursátiles de Corto Plazo

Además de las obligaciones de hacer y no hacer descritas en la sección anterior, en relación con el financiamiento que a la fecha hemos contratado a través de créditos bancarios, a continuación se describen las obligaciones a nuestro cargo respecto de nuestras emisiones de certificados bursátiles de corto plazo:

Obligaciones de Hacer

- (a) Utilizar los recursos derivados de emisiones de corto plazo para los fines estipulados en los títulos correspondientes; (b) mantener la inscripción de dichos certificados bursátiles de corto plazo en el RNV y en el listado de valores de la BMV; y (c) entregar al representante común de los tenedores de dichos certificados bursátiles de corto plazo, cualquier información que le solicite referente o relacionada con la emisión, incluyendo información financiera de nuestra empresa.

- Proporcionar a los intermediarios colocadores involucrados en dichas emisiones, cualquier información que soliciten respecto de dichos certificados bursátiles de corto plazo.

Obligaciones de No Hacer

- No efectuar operaciones fuera del curso normal de nuestro negocio.

Causas de Vencimiento Anticipado de los Certificados Bursátiles de Corto Plazo

Los certificados bursátiles de corto plazo, se podrán dar por vencidos anticipadamente para ser amortizados a su valor nominal en los siguientes casos: (i) si nuestra empresa fuere declarada en quiebra, insolvencia, concurso mercantil o procedimiento similar o si admitiere por escrito su incapacidad para pagar sus deudas a su vencimiento; o (ii) si la inscripción de los certificados bursátiles de corto plazo en el RNV que mantiene la CNBV fuere cancelada.

4. Comentarios y Análisis de la Administración Sobre los Resultados de Operación y Situación Financiera del Emisor

El siguiente análisis debe leerse en conjunto con los Estados Financieros y las notas a los mismos que se incluyen en este Reporte Anual. A menos que se indique lo contrario, toda la información financiera incluida en este Reporte Anual está expresada en pesos. La información financiera incluida en este Reporte Anual está preparada de conformidad con los lineamientos establecidos en las "Disposiciones de Carácter General Aplicables a los Almacenes Generales de Depósito, Casas de Cambio, Uniones de Crédito y Sociedades Financieras de Objeto Múltiple Reguladas" emitidas el 19 de enero de 2009 y de acuerdo con el criterio contable A-1 de la CNBV.

Este Reporte Anual contiene declaraciones con respecto al futuro que reflejan los planes, estimaciones y opiniones del Emisor y conllevan riesgos, incertidumbres y presunciones. Los *resultados reales pueden llegar a diferir sustancialmente de los descritos en las declaraciones con respecto al futuro. Los factores que pueden ocasionar dichas diferencias o contribuir a las mismas incluyen, de manera enunciativa pero no limitativa, los descritos a continuación y en otras secciones de este Reporte Anual, incluyendo especialmente la sección "I. Información General – 3. Factores de Riesgo". Además del resto de la información contenida en este Reporte Anual, los inversionistas deben evaluar cuidadosamente el siguiente análisis y la información incluida en la sección "I. Información General – 3. Factores de Riesgo" antes de invertir en los Certificados Bursátiles.*

4.1. Resultados de Operación

Periodo finalizado el 31 de diciembre de 2016, comparado con el periodo finalizado el 31 de diciembre 2015.

Ingresos por intereses

Los rendimientos generados por financiamientos otorgados a mayoreo y menudeo, se describen y analizan a continuación:

	Periodos		Variaciones	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Ingresos por intereses comercial	$787	$943	$156	19.82%
Ingresos por intereses al consumo	$2,361	$3,648	$1,287	54.51%
Otros ingresos por intereses	$227	$322	$95	41.85%
Ingresos por intereses	**$3,375**	**$4,913**	**$1,538**	**45.57%**

El aumento del 45.57% en 2016 en relación al ejercicio 2015 se debe principalmente a que los ingresos por intereses al consumo tuvieron un aumento del 54.51% en gran medida por el incremento de volumen de unidades promedio durante el 2016.

Gastos por intereses

Los gastos por intereses por préstamos de bancos y de otros organismos, se comparan y analizan a continuación:

	Periodos		Variaciones	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Gastos por intereses	$1,026	$1,925	$899	87.62%
Gastos por intereses	**$1,026**	**$1,925**	**$899**	**87.62%**

Los gastos por intereses mostraron un incremento neto del 87.62% en 2016 con respecto al ejercicio del 2015. Esto se debe principalmente al incremento del balance de la deuda con respecto al mismo periodo de 2015 para soportar el crecimiento de activos, principalmente de crédito al consumo.

Resultado por posición monetaria

El resultado por posición monetaria representa el efecto de la inflación, medido en términos de la UDI, sobre el neto de activos y pasivos monetarios al inicio de cada mes. La pérdida se genera por tener más activos que pasivos. A partir de 2008 la NIF B-10 de los efectos de la inflación en la información financiera, establece que ante el cambio de un entorno económico inflacionario a uno no inflacionario, no deben reconocerse los efectos de la inflación del periodo.

Margen Financiero

El margen financiero en términos nominales presenta una incremento neto del 27.20%, derivado principalmente de un incremento de los ingresos por intereses de $1,538 millones de pesos combinado con un incremento en los gastos por intereses de $899 millones de pesos.

	Periodos		Variaciones	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Ingresos por Intereses	$3,375	$4,913	$1,538	45.57%
Gastos por Intereses	$1,026	$1,925	$899	87.62%
Margen Financiero	**$2,349**	**$2,988**	**$639**	**27.20%**

Estimación Preventiva para Riesgos Crediticios

La estimación preventiva se compara a continuación:

	Periodos		Variación	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Reserva para Riesgos Crediticios	$482	$851	$369	76.56%
Reserva para Riesgos Crediticios	**$482**	**$851**	**$369**	**76.56%**

La estimación preventiva para riesgos crediticios presenta un incremento neto del 76.56% de los cuales $350 millones de pesos corresponden a un incremento en reserva de la cartera de consumo con respecto al año anterior, un decremento en la reserva de cartera comercial de $94 millones de pesos con respecto al año anterior y un incremento en castigos de cartera de consumo en $113 millones de pesos con respecto al año anterior.

A continuación se muestran los resultados de la calificación de la cartera crediticia al cierre de diciembre 2016:

CALIFICACIÓN DE LA CARTERA CREDITICIA AL 31 DE DICIEMBRE DE 2016					
	IMPORTE CARTERA CREDITICA	RESERVAS PREVENTIVAS NECESARIAS			
		CARTERA COMERCIAL	CARTERA DE CONSUMO	CARTERA HIPOTECARIA DE VIVIENDA	TOTAL RESERVAS PREVENTIVAS
EXCEPTUADA CALIFICADA	$ -				
Riesgo A	49,651	$ 123	$ 413	$ -	$ 536
Riesgo B	2,321	26	51	0	77
Riesgo C	616	5	47	0	52
Riesgo D	446	49	72	0	121
Riesgo E	603	-	388	0	388
TOTAL	**$ 53,637**	**$ 203**	**$ 971**	**$ -**	**$ 1,174**
Menos:					
RESERVAS CONSTITUIDAS					**$ 1,174**
EXCESO					**$ -**

Comisiones y tarifas

Las comisiones y tarifas se describen y comparan a continuación:

	Periodos		Variaciones	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Comisiones y Tarifas cobradas	$426	$521	$95	22.30%
Comisiones y Tarifas Pagadas	$549	$762	$213	38.80%
Comisiones y tarifas netas	**($123)**	**($241)**	**($118)**	**95.93%**

Las comisiones cobradas presentan incremento de 22.30% en el ejercicio de 2016 con respecto al 2015. En tanto las comisiones pagadas tuvieron un incremento al cuarto trimestre de 2016 de $213 millones de pesos respecto al 2015 lo cual representa un 38.80%, esto debido al incremento en la cartera de consumo.

Gastos de Administración

La integración y análisis de los gastos de administración se muestran a continuación:

	Periodos		Variación	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Remuneraciones	$250	$279	$29	11.60%
Honorarios	$249	$388	$139	55.82%
Rentas	$14	$15	$1	7.14%
Gastos de Promoción	$16	$19	$3	18.75%
Impuestos y derechos diversos	$12	$33	$21	100.00%
Otros gastos	$262	$279	$17	6.49%
Depreciación	$15	$14	($1)	-6.67%
Gastos de administración	**$818**	**$1,027**	**$209**	**25.55%**

Los gastos de administración reflejan un incremento de 25.55% en el año 2016 en relación con el año 2015, este aumento es atribuido principalmente a mayor cargo corporativo e incremento en remuneraciones.

Impuestos Causados y Diferidos

La comparación y análisis de los impuestos causados se muestran en la siguiente tabla:

	Periodos		Variación	
Conceptos	**31-dic-15**	**31-dic-16**	**Dec 15 / Dec 16**	
Impuesto Causado	$399	$824	$425	106.52%
Impuesto Diferido	($126)	($496)	($370)	293.65%
Impuestos	**$273**	**$328**	**$55**	**20.15%**

El impuesto a la utilidad causado se determina mediante la aplicación de la legislación fiscal vigente sobre los ingresos gravables y deducciones autorizadas del ejercicio. El impuesto anual determinado se presenta como un pasivo a corto plazo neto de los anticipos efectuados durante el año, o como un activo en el caso de que los anticipos sean superiores al impuesto anual determinado.

El impuesto a la utilidad diferido se determina aplicando el método de activos y pasivos. Bajo este método, a todas las diferencias que surgen entre los valores contables y fiscales de los activos y pasivos, se les aplica la tasa del impuesto sobre la renta (ISR), vigente a la fecha de los estados financieros, o bien, aquellas tasas aprobadas a esa fecha y que estarán vigentes al momento en que se estima que los activos y pasivos por impuesto a la utilidad diferido se recuperarán o se liquidarán. La Compañía evalúa periódicamente la recuperabilidad de los activos por impuesto diferido, creando en su caso, una estimación sobre aquellos montos en los que no existe una alta probabilidad de recuperación.

El impuesto causado y diferido es reconocido como un gasto en los resultados del ejercicio, excepto cuando haya surgido de una transacción o suceso que se reconoce fuera del resultado del ejercicio como otro resultado integral o una partida reconocida directamente en el capital contable.

4.2 Situación Financiera, Liquidez y Recursos de Capital

(Cifras en millones de pesos)

Los principales requerimientos de liquidez y recursos de capital de GM Financial de México son para el otorgamiento de créditos para la adquisición de vehículos y otros productos a la red de Concesionarios de GMM y a otros distribuidores de otras armadoras que tengan firmado un contrato de Plan Piso con GM Financial de México, así como a cualquier persona física o moral que desee adquirir un automóvil nuevo o usado. Las fuentes de liquidez de GM Financial de México, además de las inherentes al negocio, están conformadas por líneas de crédito revolventes con bancos con presencia en el territorio nacional, tanto mexicanos como extranjeros, a corto y largo plazo, Certificados Bursátiles de Corto Plazo, Certificados Bursátiles estructurados bajo un fideicomiso, así como la monetización de una parte de la cartera de crédito:

a. De corto plazo

Préstamos quirografarios con instituciones de banca múltiple, algunos de los cuales, pueden estar garantizados total e incondicionalmente por la Tenedora, los cuales devengan intereses a tasas de mercado	$15,295

basadas en la Tasa de Interés Interbancaria de Equilibrio (TIIE) a 28 o 91 días.	
Emisiones de Certificados Bursátiles de Corto Plazo	1,180
Intereses devengados por pagar	165
	16,640
Más porción circulante del pasivo a largo plazo	8,440
	$25,080

b. De largo plazo

Préstamos no garantizados con instituciones de banca de desarrollo, los cuales devengan intereses a una tasa basada en la Tasa de Interés Interbancaria de Equilibrio (TIIE) a 28 días más 185 puntos base. Al cierre del periodo, las tasas de interés promedio devengada fue del 7.45%.	2,500
Préstamo con colateral, garantizado con activos crediticios, el cual devenga intereses a una tasa basada en la TIIE a 28 días más un promedio de 129 puntos base. Al cierre del periodo la tasa de interés promedio que devengó este préstamo fue del 6.72%.	3,500
Préstamo con colateral, garantizado con activos crediticios, el cual devenga intereses a una tasa basada en la TIIE a 28 días más 95 puntos base. Al cierre del periodo, la tasa que devengó este préstamo fue del 6.49%	8,497
Préstamo garantizado con activos crediticios, el cual devenga intereses a una tasa basada en la TIIE a 28 días más 90 puntos base. Al cierre del periodo, la tasa que devengó este préstamo fue del 6.73%.	5,995
Préstamo garantizado con activos crediticios, el cual al cierre del periodo, la tasa que devengó fue del 6.42%	2,796
Pasivo a largo plazo	23,288
Menos - Porción circulante	8,440
	$14,848

El valor contable de los préstamos bancarios de corto plazo a cargo de la Compañía se aproxima a su valor razonable, y no se tienen intenciones de pagarlos anticipadamente. En relación a algunos préstamos de largo plazo con colateral, la Compañía puede estar obligada a mantener saldos de efectivo en garantía de estas operaciones. Dicho efectivo genera intereses a favor de la Compañía a una tasa de interés de mercado. Al cierre del periodo, dicho efectivo restringido generó ingresos por $51 millones de pesos los cuales se incluyen en el rubro Otros ingresos de la operación.

c. Los vencimientos de la porción a largo plazo de este pasivo al 31 de diciembre de 2016, son:

2018	5,880
2019	7,174
2020	1,695
2021	94
2022	5
	$14,848

Se han contratado instrumentos financieros derivados para cubrir los riesgos de tasa de interés de algunos de estos préstamos.

Al cierre del periodo la Compañía mantiene una capacidad disponible, aun no dispuesta, tanto en sus líneas de crédito revolvente como para monetización de cartera, por un monto de $1,016.

Al cierre del periodo, hemos aportado, en calidad de fideicomitentes, cierto porcentaje de nuestra cartera a efecto de celebrar los siguientes contratos de fideicomiso:

(i) Contrato de Fideicomiso Maestro Irrevocable número F/804, celebrado el 24 de septiembre de 2008 entre el Emisor, en su carácter de fideicomitente, Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, en su carácter de fiduciario, y Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, como representante común de los tenedores. En términos generales, en virtud de dicho fideicomiso se implementó un mecanismo para bursatilizar ciertas cuentas por cobrar aportadas al patrimonio de dicho Fideicomiso F/804 por el Emisor.

(ii) Contrato de Fideicomiso Irrevocable número F/00251, celebrado el 14 de octubre de 2005 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y CIBanco, S.A., Institución de Banca Múltiple (antes The Bank of New York Mellon, S.A., Institución de Banca Múltiple), como fiduciario. En términos generales, en virtud del Fideicomiso F/00251 se estableció un mecanismo para (i) el financiamiento de ciertos créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, y (ii) la emisión del pagaré pagadero a la orden del fideicomisario en primer lugar, solamente con los recursos del patrimonio del mismo.

(iii) Contrato de Fideicomiso Irrevocable número F/242896, celebrado el 31 de agosto de 2007 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria, como fiduciario. Dicho fideicomiso fue modificado en virtud de un convenio de sustitución fiduciaria, de fecha 6 de febrero de 2013 en el cual HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria fue sustituido por Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario como fiduciario del mismo y dicho a fideicomiso le fue reasignado como número de identificación, el F/1380. En virtud de dicho fideicomiso se estableció un mecanismo para que el fideicomisario en primer lugar pudiera invertir en pagarés emitidos por el fiduciario mediante (i) la cesión y aportación de créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, así como de todos los derechos y obligaciones previstos en los contratos de intercambio de tasas de interés, en su caso, por parte del fideicomitente al fiduciario de conformidad con ciertos contratos de cesión correspondientes, y (ii) el fondeo por parte del fideicomisario en primer lugar y la emisión por parte del fiduciario del pagaré pagadero a la orden del fideicomisario en primer lugar, con recurso limitado únicamente al patrimonio del fideicomiso aquí descrito.

(iv) Contrato de Fideicomiso Irrevocable número F/2965, celebrado el 31 de marzo de 2016 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y Banco Monex, S.A., Institución de Banca Múltiple, Monex Grupo Financiero, como fiduciario. En términos generales, en virtud del fideicomiso aquí descrito se implementó un mecanismo para proporcionar financiamiento al Emisor y que la misma adquiera ciertos créditos por parte del fideicomisario en primer lugar, en los términos establecidos en dicho fideicomiso.

Manifestamos que para los fideicomisos anteriormente enlistados no es aplicable la consolidación a los activos totales de la Emisora en virtud de que los mismos se mantuvieron dentro de los Estados Financieros de la compañía.

4.3. Control Interno

A nivel mundial, las políticas del Garante GMF y los controles internos de cada departamento están diseñados para asegurar el cumplimiento de las regulaciones aplicables en cada país en donde opera.

GMF México cuenta con un departamento de control interno, el cual tiene a su cargo vigilar, a través de pruebas aleatorias, el buen funcionamiento de nuestros procesos operativos, y la elaboración de estados financieros, con el fin de obtener una certeza razonable en cuanto al ambiente de control que prevalece en la misma.

Por otro lado, contamos con los procedimientos y manuales que describen la autoridad, responsabilidad, y métodos para supervisar y dar cumplimiento a las políticas y procedimientos, incluyendo la función de auditoría interna.

Finalmente, nuestro departamento de auditoría interna realiza determinadas pruebas a los controles designados para el cumplimiento por parte del Garante con la Ley Sarbanes Oxley cada año.

.

5. Estimaciones, Provisiones o Reservas Contables Críticas

Mantenemos una estimación para riesgos crediticios, la cual a juicio de nuestro equipo de administración, es suficiente para cubrir cualquier pérdida que pudiera surgir tanto de los préstamos incluidos en nuestra cartera de créditos, como de otros riesgos crediticios. A continuación se establece la metodología para determinar esta estimación.

Reserva de cartera consumo – Las reservas de la cartera de consumo no revolvente, se determinan evaluando la probabilidad de incumplimiento, la severidad de la pérdida y la exposición al incumplimiento, crédito por crédito, considerando los datos históricos de dicha cartera.

Reserva de cartera comercial – La reserva de la cartera comercial se determina con base al artículo 110 de la Circular Única de Bancos. Hasta 2013, para calificar la cartera comercial y reconocer la reserva respectiva, se utilizaba la metodología establecida en las Disposiciones de carácter general aplicables a las instituciones de crédito, Capítulo V “Calificación de Cartera Crediticia”, Artículo 110, de la Sección Tercera, “De la Cartera Crediticia Comercial”, que consideraba la situación financiera, el entorno económico, la fuente e historial de pago, la calidad de la información y las garantías de nuestra empresa. Dicha calificación se realizaba individualmente excepto por los créditos a cargo de un mismo deudor cuyo saldo era menor a un importe equivalente a 4,000,000 de UDIS, los cuales eran evaluados de forma paramétrica atendiendo a los meses transcurridos a partir del primer incumplimiento y asignando porcentajes de reserva diferentes según se tratara de cartera reestructurada o no reestructurada.

El 24 de junio de 2013, la CNBV emitió modificaciones a las disposiciones en materia de calificación de cartera crediticia comercial aplicables al ejercicio 2014, adicionando los anexos 21 y 22 al artículo 110 de la Circular Única de Bancos, los cuales señalan que para la determinación de la calificación de cartera, se debe de considerar la probabilidad de incumplimiento, severidad de la pérdida y exposición al incumplimiento, considerando lo señalado más adelante en esta sección.

Las reservas de la cartera comercial se determinan mediante la evaluación del puntaje crediticio total para créditos a cargo de personas morales y personas físicas con actividad empresarial, haciendo la separación de aquellos con ingresos netos o ventas netas anuales menores al equivalente en moneda nacional a 14 millones de UDIs de conformidad con los anexos mencionados.

Las cifras para la calificación y constitución de las reservas preventivas, son las correspondientes al día último del mes a que se refiere el balance general al 31 de diciembre de 2016. Para la calificación de la cartera crediticia, utilizamos la metodología establecida por la CNBV.

El porcentaje requerido de estimación preventiva para la cartera, se determina en función del grado de riesgo asignado, como se muestra a continuación:

Grado de Riesgo	Cartera de Consumo	Cartera Comercial
A-1	0 a 2.0	0 a 0.9
A-2	2.01 a 3.0	0.901 a 1.5
B-1	3.01 a 4.0	1.501 a 2.0
B-2	4.01 a 5.0	2.001 a 2.5
B-3	5.01 a 6.0	2.501 a 5.0
C-1	6.01 a 8.0	5.001 a 10.0

C-2	8.01 a 15.0	10.001 a 15.5
D	15.01 a 35.0	15.501 a 45.0
E	35.01 a 100.00	> 45.0

Los intereses devengados no cobrados, considerados como cartera vencida, se reservan en su totalidad al momento del traspaso a dicha cartera.

Los créditos calificados como irrecuperables se cancelan contra la estimación preventiva cuando se determina la imposibilidad práctica de recuperación. Adicionalmente, por los créditos comerciales que se encuentren en cartera vencida y reservados en su totalidad, nuestro equipo de administración evalúa periódicamente si éstos deben ser aplicados contra la estimación preventiva.

Cualquier recuperación derivada de los créditos previamente castigados, se reconoce en los resultados del ejercicio.

El monto de la estimación preventiva para riesgos crediticios cargada a resultados de nuestra empresa cerró en $851 millones de pesos para 2016 y $481 millones de pesos para 2015. Al 31 de diciembre de 2014 finalizó en $326 millones de pesos. Dichos incrementos se debieron al crecimiento de los activos durante dichos periodos.

Los instrumentos financieros que potencialmente nos exponen al riesgo de crédito, consisten en cuentas por cobrar a clientes. Para reducir el riesgo de crédito, realizamos evaluaciones en forma periódica respecto a la situación financiera de sus clientes y les requiere garantías específicas. Consideramos que nuestra concentración de riesgos de crédito es mínima dado el gran número de clientes y su dispersión geográfica. Adicionalmente, consideramos que nuestro riesgo de crédito potencial está adecuadamente cubierto con la estimación preventiva para riesgos crediticios que hemos constituido para tal fin.

IV. Administración

1. Auditores Externos

Nuestros estados financieros por los ejercicios terminados al 31 de diciembre de 2016, 2015 y 2014 fueron auditados por Galaz, Yamazaki, Ruiz y Urquiza, S.C., miembro de Deloitte Touche Tohmatsu Limited. Durante los períodos antes mencionados, cada dictamen de nuestros auditores fue emitido sin salvedades.

General Motors Financial Company, Inc. designa anualmente a sus auditores externos, con el objeto de que auditen nuestros estados financieros y emitan su correspondiente dictamen.

Durante el 2016, 2015 y 2014, Galaz, Yamazaki, Ruiz y Urquiza, S.C., miembro de Deloitte Touche Tohmatsu Limited proporcionó servicios al Emisor, en adición a los de auditoría, principalmente en revisiones de procedimientos previamente convenidos respecto a cuentas elegibles y cuentas por cobrar fideicomitidas bajo el contrato de fideicomiso irrevocable No F/804, los cuales estimamos no afectan su independencia como nuestros auditores externos.

2. Operaciones con personas relacionadas y conflictos de interés

Somos una subsidiaria indirecta de General Motors. General Motors directamente o a través de su subsidiaria en México, produce o importa todas las unidades de las marcas General Motors vendidas en México. Aun cuando consideramos que General Motors en ningún momento ha comprometido los resultados de sus subsidiarias financieras (incluyendo a nuestra Compañía) en beneficio de su negocio automotor, no podemos asegurar que en el futuro nuestros resultados no se verán afectados por una decisión de negocios tomada por General Motors.

Nuestras operaciones de financiamiento bajo la modalidad de créditos comerciales se realizan principalmente con Distribuidores para la venta y distribución de unidades de las marcas General Motors en México. Como es mencionado en el presente Reporte Anual, otorgamos financiamiento a los Distribuidores para la adquisición de unidades, realizar remodelaciones, ampliaciones, compra de equipo, entre otros. Consideramos que dichos financiamientos son otorgados en términos, condiciones y conforme a la práctica de la industria en la que operamos. En este sentido no sacrificamos utilidad para incentivar la venta de vehículos de las marcas General Motors.

Actualmente recibimos servicios de recursos humanos de parte Servicios GMAC, S.A. de C.V., que es una subsidiaria indirecta del Garante GMF. Dichos servicios son recibidos al amparo de un contrato de prestación de servicios especializados celebrado entre Servicios GMAC, S.A. de C.V. y nuestra empresa. Entre los servicios de recursos humanos prestados se incluyen los relacionados a soporte para las áreas administrativas, dirección, técnicas y operativas de nuestra empresa.

Es importante destacar que todas las operaciones anteriormente descritas se llevaron a cabo en condiciones de mercado conforme a la práctica de la industria.

En los estados financieros que se adjuntan al presente Reporte Anual, se describen los saldos que se han generado como resultado de las operaciones descritas con anterioridad.

A continuación se muestran los saldos con partes relacionadas por los últimos tres ejercicios terminados al 31 de diciembre de 2016, 2015 y 2014.

Saldo con partes relacionadas

(Cifras en miles de pesos)

	31 de Diciembre 2016	31 de Diciembre 2015	31 de Diciembre 2014
Cuentas por cobrar:			
General Motors de México, S. de R.L. de C.V.	354,096	229,441	20,955
	354,096	229,441	20,955
Cuentas por pagar:			
General Motors de México, S. de R.L. de C.V.	5,754,238	5,040,337	4,116,246
General Motors Financial Company Inc.	(18)	4,246	24,977
GM Financial International B.V.	3,639,609	-	-
Servicios GMAC S.A. de C.V.	100,297	100,194	-
	9,494,126	5,144,777	4,141,223

3. Administradores y accionistas

3.1. Consejo de Administración.

De conformidad con nuestros estatutos sociales, los miembros del Consejo de Administración son elegidos por la Asamblea Ordinaria de Accionistas de la empresa, la cual debe celebrarse por lo menos una vez al año, dentro de los 4 meses siguientes a la clausura de cada ejercicio social.

Los miembros del Consejo de Administración (i) durarán en su cargo por tiempo determinado, y no cesarán en el desempeño de sus funciones mientras no tomen posesión de sus cargos quienes hayan de sustituirlos; (ii) pueden ser o no accionistas de la Compañía; y (iii) pueden ser reelectos.

El presidente del Consejo de Administración es el señor Frederick George Livingood. Cada miembro actual del Consejo de Administración y su respectivo suplente fue ratificado en su cargo mediante asamblea general ordinaria de accionistas de fecha 27 de junio de 2016. El Consejo de Administración es asistido por comisiones y por funcionarios ejecutivos, los cuales administran el día a día de nuestro negocio.

No contamos con un código de conducta aplicable al consejo de administración y directivos relevantes en particular. El código de conducta aplica por igual a todos los empleados contratados por Servicios GMAC, S.A. de C.V.

El Consejo de Administración tiene la representación legal del Emisor y está investido de las siguientes facultades:

- Poder general para pleitos y cobranzas, otorgado, en términos de nuestros estatutos vigentes con todas las facultades generales y las especiales que requieran clausula especial de acuerdo con lo previsto por los artículos 2,554, párrafo primero, y 2,587 del Código Civil Federal y los artículos correlativos de los códigos civiles de las demás entidades federativas de México;

- Poder general para actos de administración, para administrar bienes de acuerdo con lo establecido en el párrafo segundo del artículo 2554 del Código Civil Federal y sus correlativos de los códigos civiles para las distintas entidades federativas de México;

- Poder para actos de administración en asuntos laborales, para los efectos de los artículos 692, 786, 876 y siguientes, así como 878 y demás aplicables de la Ley Federal del Trabajo;

- Poder General para Actos de Dominio, de acuerdo con lo establecido en el párrafo tercero del artículo 2554 del código civil federal y sus correlativos de los códigos civiles para las distintas entidades federativas de México;

- Poder general cambiario, para aceptar, otorgar, girar, avalar, emitir, librar, endosar, ceder y suscribir toda clase de títulos de crédito en los términos de los artículos 9 y 85 de Ley General de Títulos y Operaciones de Crédito; incluyendo sin limitación, el abrir y cerrar cuentas bancarias a nombre del Emisor, girar en contra de ellas, efectuar transferencias electrónicas de fondos respecto a las mismas, y designar personas que giren en contra de las mismas cuentas bancarias;

- Designar y remover al Director General a los delegados fiduciarios; al auditor externo del Emisor y al secretario y secretario suplente del propio Consejo de Administración, así como señalarles sus facultades y remuneraciones;

- Convocar a Asambleas de Accionistas y para ejecutar sus resoluciones;

- Conferir poderes generales o especiales en los términos de los incisos que anteceden, con o sin facultades de sustitución, así como para revocar los poderes que otorgare.

En general, el Consejo de Administración, conforme a nuestros estatutos vigentes, tiene facultades suficientes para llevar a cabo todos los actos autorizados conforme a los mismos o que sean consecuencia de aquellos.

Al 31 de diciembre de 2016 nuestro Consejo de Administración se encontraba integrado de la siguiente forma:

Nombre	Cargo
Miembros propietarios:	
Frederick George Livingood	Presidente
Fernando Ricardo Rodríguez Treviño	Consejero
Christiaan Salvador Glastra Tejeda	Consejero
Ageu Monteiro de Almeida Junior	Consejero
Alberto Díaz Leal Mendez	Consejero
Suplentes:	
Miguel Darío Plazas Vega	Consejero suplente
Roberto Salgado Razo	Consejero suplente
Armando Valdés Hernández	Consejero suplente
Julio César Villarreal Villarreal	Consejero suplente
Liliana Ibarra Baca	Consejero suplente

El domicilio legal de cada uno de dichos consejeros es Ave. Eugenio Garza Lagüera N°933, Planta Baja, Colonia Valle Oriente, San Pedro Garza García, Nuevo León, C.P. 66269.

El domicilio legal de cada uno de dichos consejeros es Ave. Eugenio Garza Lagüera N°933, Planta Baja, Colonia Valle Oriente, San Pedro Garza García, Nuevo León, C.P. 66269.

A continuación se presentan breves descripciones biográficas de los consejeros:

Frederick George Livingood. Se desempeña actualmente como Director General de GMF México, Colombia, Chile y Perú, cargo que desempeña desde el pasado 1º de agosto de 2016. El Señor Livingood forma parte de la familia GMF desde el año de 1982, ocupando diversos puestos directivos en México, Latinoamérica y Europa. Su asignación previa fué como Vicepresidente Ejecutivo y Director de Operaciones en SAIC-GMAC, empresa conjunta en China. Es egresado de la Universidad Estatal de Salisbury con el grado de Licenciado en Administración de Empresas.

Fernando Ricardo Rodríguez Treviño. Se desempeña actualmente como Director de Operaciones de nuestra empresa, estando a cargo de las áreas de crédito comercial y crédito de consumo desde enero de 2014. El señor Rodríguez ingresó a nuestra empresa en el año de 1996 y ha ocupado distintos puestos directivos en México, Brasil y Estados Unidos. Cuenta con el título de Contador Público y estudios de Maestría en Dirección Internacional, en el Instituto Tecnológico Autónomo de México.

Christiaan Salvador Glastra Tejeda. Se desempeña como Director de Finanzas de nuestra empresa, cargo que ha desempeñado desde 2010. El señor Glastra cuenta con 20 años de experiencia en la industria de financiamiento automotriz trabajando para diversas marcas y ocupando distintos puestos en México, Estados Unidos y Europa. Cuenta con el grado de Licenciado en Contaduría Pública, otorgado por la Universidad Iberoamericana.

Ageu Monteiro de Almeida Junior. Se desempeña actualmente como Director de Operaciones de nuestra empresa, cargo que ha desempeñado desde 2013, estando a cargo de las áreas de Cobranza y Servicio al Cliente. Adicionalmente, dentro de sus responsabilidades se encuentran los procesos operacionales para otros países de Latinoamérica. El señor Ageu forma parte de nuestro equipo desde el año de 1989, ocupando diversos puestos directivos en Brasil y México. Cuenta con post-grado en Administración de la Calidad en Servicios, otorgado por la universidad Fundação Getulio Vargas de Brasil.

Alberto Díaz Leal Méndez. Actualmente se desempeña como Director de Riesgo Consumo en nuestra empresa desde marzo del 2016. El señor Díaz Leal comenzó a trabajar para GM Financial en el año de 2012. Inicialmente ocupó el puesto de Senior Risk Policy Manager y después, en el área de Operaciones estuvo a cargo de Cobranza y Adquisiciones para Alemania, Suiza y Austria. Trabajó en el departamento de Riesgo de Citibank en España y Alemania durante aproximadamente 5 años. Cuenta con el título de Licenciado en Negocios Internacionales por la Universidad ESEI en Barcelona, España y realizó una maestría en Finanzas en la Universidad de Nottingham Business School en el Reino Unido.

3.2. Directivos y Funcionarios Relevantes

La siguiente tabla contiene una lista de nombres, puestos y años de servicio de nuestros principales directores y funcionarios:

Nombre	Cargo
Frederick George Livingood	Director General
Christiaan Salvador Glastra Tejeda	Director de Finanzas
Erick Cárdenas González	Director Jurídico
Víctor Manuel Lamadrid León	Director de Tesorería
Armando Valdés Hernández	Director de Contraloría
Jorge Alberto Arnaud Sánchez	Director de Sistemas
Ana Paula Díaz Infante Casar	Directora de RH
Ageu Monteiro de Almeida Junior	Director de Operaciones
Fernando R. Rodríguez Treviño	Director de Operaciones
Miguel D. Plazas Vega	Director de Ventas
Liliana Ibarra Baca	Directora de Control Interno

A continuación encontrarán una breve descripción biográfica de nuestros directivos y funcionarios, en el entendido que, las biografías de Frederick George Livingood, Christiaan Salvador Glastra Tejeda, Alberto Díaz Leal Mendez, Ageu Monteiro de Almeida Junior y Fernando Ricardo Rodríguez Treviño se describen en el apartado anterior:

Erick Cárdenas González. Director Jurídico de nuestra empresa, en la cual labora desde el año 2015. Es Secretario del Consejo de Administración de la misma, sin pertenecer al mismo. Cuenta con el grado de Maestría en Derecho Comercial y Corporativo, otorgado por la Universidad de Londres.

Víctor Manuel Lamadrid León. Se desempeña actualmente como Director de Tesorería, siendo responsable del Fondeo y Liquidez de la Compañía desde Diciembre de 2008. El señor Lamadrid cuenta con 19 años de experiencia en la industria de financiamiento automotriz, ocupando diversos puestos directivos en otras empresas antes de unirse a nuestro equipo. Cuenta con el título de Licenciado en Administración y estudios de MBA en la Universidad de Oviedo, España.
Armando Valdés Hernández. Se desempeña actualmente como Director de Contraloría. El Sr. Valdés ingresó a nuestra empresa en el 2011 y cuenta con 23 años de experiencia en la industria de financiamiento automotriz, ocupando diversos puestos similares en otras empresas antes de unirse a nuestro equipo. Cuenta con el título de Licenciado en Contaduría y estudios de post grado en Auditoria Financiera Operacional en la Universidad de México.

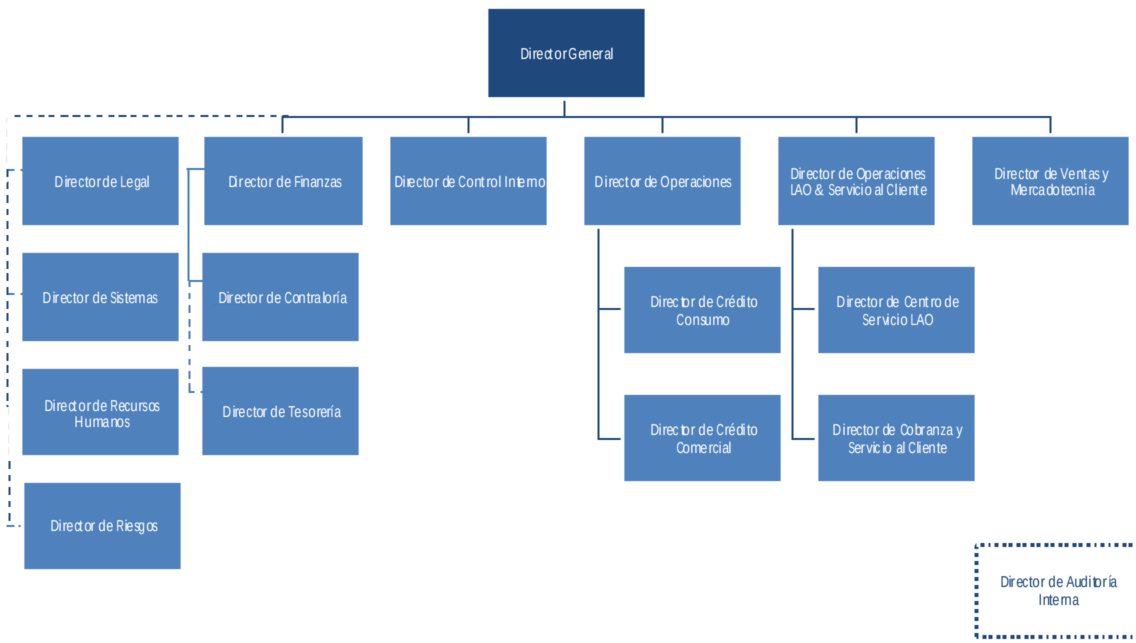
Jorge Alberto Arnaud Sánchez. Se desempeña como Director de Sistemas de nuestra empresa. Ha trabajado para esta Compañía desde el año de 1991, ocupando diferentes puestos en el área de sistemas. Cuenta con el título de Ingeniero en Sistemas Computacionales por el ITESM.

Ana Paula Díaz Infante Casar. Directora de Recursos Humanos, en nuestra empresa, desde hace 4 años. Ha trabajado para esta Compañía desde el año de 2011. Cuenta con 13 años de experiencia en el departamento de Recursos Humanos, en donde ha desempeñado diversos roles en empresas de distintos giros. Cuenta con el título de Licenciado en Psicología en la Universidad Iberoamericana.

Liliana Ibarra Baca. Se desempeña actualmente como Directora de Control Interno desde el año de 2015. Trabajó anteriormente en la Compañía por 12 años en las áreas de crédito comercial, crédito de consumo y en el centro de análisis de crédito, además de contar con experiencia en el sector bancario en el área de riesgo. Cuenta con el título de Contador Público, otorgado por el Instituto Tecnológico y de Estudios Superiores de Monterrey.

Miguel Darío Plazas Vega. Se desempeña actualmente como Director de Ventas y Mercadotecnia de la Compañía, cargo que ocupa desde 2015, previamente se desempeñó como director de crédito de consumo. El señor Plazas es parte de nuestro equipo desde el año de 2001, con experiencia en diferentes áreas de la Compañía en México y Colombia. Cuenta con el grado de Licenciado en Administración de Empresas, otorgado por la Universidad Pontificia Javeriana.

A continuación, se presenta un diagrama describiendo las posiciones de nuestros directivos y funcionarios, dentro de la empresa:



Relaciones familiares entre Miembros del Consejo de Administración

No existe parentesco por consanguinidad o afinidad hasta cuarto grado o civil, incluyendo a sus cónyuges, concubinas o concubinarios, entre los miembros del Consejo de Administración y directivos relevantes de la empresa.

3.3. Principales Accionistas

A la fecha del presente Reporte Anual, el 100% de nuestras acciones pertenecen, indirectamente a General Motors Financial Company, Inc.

Estructura Accionaria

La siguiente tabla contiene cierta información sobre la estructura accionaria del Emisor al 31 de diciembre de 2016.

Accionista	Número de Acciones	Porcentaje
GM Financial Mexico Holdings, LLC	999	99.90%
General Motors Financial Company, Inc.	1	00.10%
TOTAL	1,000	100.00%

4. Estatutos sociales y otros convenios

A continuación se incluye un resumen de nuestras cláusulas estatutarias más relevantes:

Objeto Social. La sociedad, en su carácter de Sociedad Financiera de Objeto Múltiple, Entidad Regulada tiene por objeto social principal la realización habitual y profesional de operaciones de crédito, arrendamiento financiero, arrendamiento puro y factoraje financiero y en consecuencia podrá realizar todas las operaciones y prestar todos los servicios propios para el otorgamiento, administración y ejecución de toda clase de operaciones de crédito, arrendamiento financiero, arrendamiento puro y factoraje financiero en cualquiera de sus modalidades, y la administración de cualquier tipo de cartera crediticia, así como emitir valores de deuda a su cargo debidamente inscritos en el Registro Nacional de Valores en términos de la Ley de Mercado de Valores, y del artículo 87-B de la Ley General de Organizaciones y Actividades Auxiliares de Crédito.

Duración. La duración de la sociedad es indefinida.

Capital Social y Acciones. El capital de la sociedad es variable. El capital mínimo fijo sin derecho a retiro es de $50’000,000.00 M.N., representado por 1,000 acciones ordinarias, nominativas, sin expresión de valor nominal, Clase I, totalmente suscritas y pagadas. La parte variable del Capital Social será ilimitada y estará representada por acciones nominativas, sin expresión de valor nominal, Clase II, cuyas características determine en su oportunidad la Asamblea General de Accionistas que apruebe su emisión.

Órganos de Administración. La dirección y administración de la sociedad están confiadas a un Consejo de Administración y a un Director General en sus respectivas esteras de competencia.

El Consejo de Administración estará integrado por el número impar de miembros que determine la Asamblea General Ordinaria de Accionistas. Dicha Asamblea de Accionistas podrá designar un suplente por cada miembro propietario. Los miembros suplentes sólo podrán suplir a su respectivo miembro propietario.

En caso de no existir nombramiento por la Asamblea de Accionistas, el Consejo de Administración, en su primera Sesión celebrada inmediatamente después de la de Accionistas, nombrara de entre sus miembros un Presidente. El Consejo de Administración también podrá nombrar a un Secretario y a su respectivo suplente, quienes no requieren ser miembros del Consejo de Administración; asimismo nombrara a las personas que ocupen los demás cargos establecidos para el mejor funcionamiento de la Sociedad.

Los miembros del Consejo de Administración no requieren ser Accionistas, podrán ser reelectos y recibirán las remuneraciones que determine la Asamblea Ordinaria de Accionistas.

El nombramiento de los Consejeros y del Director General deberá recaer en personas de reconocida calidad moral, que cuenten con conocimiento en materia administrativa o financiera. En ningún caso podrán ocupar los cargos de Consejeros o Director General:

I. Las personas sentenciadas por delitos patrimoniales, las inhabilitadas para ejercer el comercio o para desempeñar un empleo, cargo o comisión en el servicio público, o en el sistema financiero mexicano;

II. Los quebrados y concursados que no hayan sido rehabilitados, y

III. Quienes realicen funciones de regulación, inspección o vigilancia de las sociedades financieras.

Designación, Duración, Remuneración y Garantía. Los miembros del Consejo de Administración duraran en su cargo por tiempo determinado, y no cesaran en el desempeño de sus funciones mientras no tomen posesión de sus cargos quienes hayan de sustituirlos y recibirán las remuneraciones que determine la Asamblea Ordinaria de Accionistas. Los consejeros no requerirán caucionar su fiel desempeño salvo que la Asamblea Ordinaria de Accionistas establezca lo contrario.

Presidencia. El Presidente del Consejo de Administración presidirá las Asambleas de Accionistas, así como las Sesiones del Consejo de Administración y llevara a cabo las resoluciones de las Asambleas de Accionistas y de las Sesiones del Consejo sin necesidad de un nombramiento o resolución especial. El Presidente del Consejo de Administración tendrá voto de calidad en caso de empate de votos en las Sesiones de dicho Consejo.

Comisarios. La vigilancia de la Sociedad estará encomendada a uno o más Comisarios, según lo determine la Asamblea Ordinaria de Accionistas, quienes podrán tener suplentes. Los Comisarios podrán o no ser accionistas. Podrán ser reelectos y desempeñarán sus cargos hasta que las personas designadas para substituirlos tomen posesión de los mismos, y no requerirán caucionar su fiel desempeño salvo que la Asamblea Ordinaria de Accionistas establezca otra cosa.

Disolución y Liquidación. La Sociedad se disolverá en cualquiera de los casos especificados en el artículo 229 de la Ley General de Sociedades Mercantiles. Una vez disuelta la Sociedad se pondrá en liquidación. La liquidación se encomendara a uno o más liquidadores designados por la Asamblea General Extraordinaria de Accionistas. Si la Asamblea no hiciere la designación correspondiente, la hará un Juez de lo Civil o de Distrito del Domicilio Social de la Sociedad a solicitud de cualquier Accionista.

La Asamblea de Accionistas que designe al liquidador, le fijara un plazo para el ejercicio de su cargo, así como la retribución que, en su caso, habrá de corresponderle.

No existen mecanismos en virtud de los cuales se limiten los derechos corporativos que confieren las acciones.

La Compañía no ha celebrado contrato o convenio alguno cuyos efectos sean los de retrasar, prevenir, diferir o hacer más oneroso cualquier cambio de control en la Compañía. Asimismo, no existe fideicomiso o mecanismo alguno que establezca una limitante a los derechos corporativos que confieren las acciones que representan el capital social de la Compañía.

V. Personas Responsables

Los suscritos manifestamos bajo protesta de decir verdad que, en el ámbito de nuestras respectivas funciones, preparamos la información relativa al emisor, contenida en el presente Reporte Anual, la cual, a nuestro leal saber y entender, refleja razonablemente su situación. Asimismo, manifestamos que no tenemos conocimiento de información relevante que haya sido omitida o falseada en este Reporte Anual o que el mismo contenga información que pudiera inducir a error de los inversionistas.

GM Financial de México, S.A. de C.V. Sociedad Financiera de Objeto Múltiple, Entidad Regulada

Frederick George Livingood
Director General

Christiaan Salvador Glastra Tejeda
Director de Finanzas

Erick Cárdenas González
Director Jurídico

"Los suscritos manifestamos bajo protesta de decir verdad, que los estados financieros de GM Financial de México S.A. de C.V., SOFOM E.R., que comprenden el balance general al 31 de diciembre de 2016, 2015 y 2014, y los estados de resultados, de variaciones en el capital contable y los flujos de efectivo que les son relativos por los años que terminaron en esas fechas que contienen el presente Reporte Anual fueron dictaminados con fecha 27 de febrero de 2017, de acuerdo con las Normas Internacionales de Auditoría.

Asimismo, manifestamos que hemos leído el presente reporte anual y basado en nuestra lectura y dentro del alcance del trabajo de auditoria realizado, no tenemos conocimiento de errores relevantes o inconsistencias en la información que se incluye y cuya fuente proviene de los estados financieros dictaminados señalados en el párrafo anterior, ni de información que haya sido omitida o falseada en este reporte anual o que el mismo contenga información financiera que pudiera inducir a error a los inversionistas, salvo lo que se menciona a continuación.

El balance consolidado de la situación financiera de General Motors Financial Company, Inc. al 31 de diciembre de 2015, que se encuentra incluido al presente prospecto como Anexo 6, no fue actualizado a efecto de reflejar los cambios en la contabilidad y revelaciones de General Motors Financial Company, Inc. realizadas en 2016. Aún más, el reporte de auditoria que cubre el balance consolidado de la situación financiera de General Motors Financial Company, Inc. del 2015 ha sido sustituido por un reporte de auditoría que no cubre el balance consolidado de la situación financiera de 2014 ni el balance consolidado de la situación financiera de 2013.

No obstante, los suscritos no fuimos contratados, y no realizamos procedimientos adicionales con el objeto de expresar nuestra opinión respecto de la otra información contenida en el reporte anual que no provenga de los estados financieros dictaminados."

Reporte Anual al 31 de diciembre de 2016

C.P.C. Ricardo Santiago Beltrán García
Galaz, Yamazaki, Ruiz Urquiza, S.C.
Socio

C.P. Jaime Luis Castilla Arce
Galaz, Yamazaki, Ruiz Urquiza, S.C.
Apoderado Legal

27 de abril de 2017

The undersigned declares that the consolidated financial statements of General Motors Financial Company, Inc. (GMF) that are included in GMF's 2016 annual report on Form 10-K, as filed with the Securities and Exchange Commission on February 7, 2017 (the 2016 Annual Report), a copy of which is included under section *VI. Annexes* of the annual report of GM Financial de México, S.A. de C.V. SOFOM E.R. (the Issuer) filed with the Mexican Stock Exchange, S.A.B. of C.V. on April 28, 2017 (Annual Report), were audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the PCAOB Standards).

The undersigned also declares that the consolidated financial statements of GMF that are included in GMF's 2015 annual report on Form 10-K, as filed with the SEC on February 3, 2016 (the 2015 Annual Report), a copy of which is included under section *VI. Annexes* of this Annual Report, were audited in accordance with the PCAOB Standards. However, the 2015 Annual Report has not been updated to reflect changes in GMF's accounting and disclosures which were made in 2016 and which affect the presentation of the financial information provided in the 2015 Annual Report, and the Report of Independent Registered Public Accounting Firm included in the 2015 Annual Report has been superseded by the Report of Independent Registered Public Accounting Firm included in the 2016 Annual Report. Therefore, the 2015 Annual Report should be read in conjunction with the 2016 Annual Report. In addition, the Report of Independent Registered Public Accounting Firm included in the 2015 Annual Report has been superseded by an audit report that does not cover GMF's 2014 consolidated balance sheet or GMF's 2013 consolidated financial statements.

The undersigned also declares that we have read an English version of the Annual Report and, based on such reading and within the scope of the audits performed, nothing has come to our attention that caused us to believe that there are material errors or inconsistencies in the information presented therein that has been derived from the audited consolidated financial statements of GMF referred to above, except as it may relate to the changes in GMF's accounting and disclosures as discussed in the preceding paragraph.

Furthermore, we were not engaged to perform, and we did not perform, additional procedures for the purpose of expressing an opinion or any other form of assurance, and we do not express an opinion or any other form of assurance, on any other information contained in the Annual Report.

Deloitte & Touche LLP

Fort Worth, Texas
April 28, 2017

VI. Anexos

- Carta de Independencia y Carta Consentimiento de Auditores Externos México
- Carta de Independencia y Carta Consentimiento de Auditores Externos E.U.A.
- Estados Financieros auditados del Emisor para los años concluidos el 31 de diciembre de 2016, 2015 y 2014
- Informe del Comisario
- Estados Financieros auditados consolidados del Garante para los años concluidos el 31 de diciembre de 2016, 2015 y 2014.
  (En caso de que surjan discrepancias entre las versiones en inglés del Reporte Anual de 2016 y 2015, así como de la Leyenda, la Carta Consentimiento y la Carta de Independencia incluida en este documento y sus traducciones al español, las versiones originales en inglés del Reporte Anual de 2016 y 2015, así como de la Leyenda, la Carta Consentimiento y la Carta de Independencia incluida en este documento deberán prevalecer)
- Diferencias entre los principios de contabilidad generalmente aceptados en Estados Unidos (US GAAP) y los criterios contables utilizados por la CNBV
- Formulario 8-K Fecha del Reporte 5 de Marzo de 2017
  (En caso de que surjan discrepancias entre las versiones en inglés del Reporte Anual de 2016 y 2015, así como de la Leyenda, la Carta Consentimiento y la Carta de Independencia incluida en este documento y sus traducciones al español, las versiones originales en inglés del Reporte Anual de 2016 y 2015, así como de la Leyenda, la Carta Consentimiento y la Carta de Independencia incluida en este documento deberán prevalecer)

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Lázaro Cárdenas 2321 Pte., PB
Residencial San Agustín
66260 Garza García, N.L.
México

Tel: +52 (81) 8133 7300
Fax: +52 (81) 8133 7383
www.deloitte.com/mx

27 de febrero de 2017

Al consejo de Administración y Accionistas de
GM Financial de México, S.A. de C.V. SOFOM, E.R.

Estimados Señores:

En relación con lo dispuesto en el Artículo 84 y 84 Bis de las "Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes del mercado de valores" (las Disposiciones), modificadas con la "Resolución por la que se modifican las disposiciones de carácter general aplicables a las emisoras de valores y otros participantes del mercado de valores", emitidas por la H. Comisión Nacional Bancaria y de Valores de México (la Comisión), publicadas en el Diario Oficial de la Federación el 2 de diciembre de 2005, y actualizadas el 6 de enero de 2017, y por el contrato de prestación de servicios profesionales que celebramos el 21 de diciembre de 2016 para realizar el examen de los estados financieros de GM Financial de México, S.A. de C.V. SOFOM, E.R. (la Emisora) al 31 de diciembre de 2016 y por el año que termina en esa fecha, declaro bajo protesta de decir verdad, lo siguiente:

I. Desde la fecha en que presto mis servicios como auditor externo a la Emisora en mi calidad de tal, durante el desarrollo de la auditoría y hasta la fecha de emisión de la opinión correspondiente, no me encuentro dentro de los supuestos a que hace referencia el artículo 83 de las Disposiciones.

II. Expreso mi consentimiento para proporcionar a la Comisión cualquier información que ésta me requiera a fin de verificar mi independencia.

III. Me obligo a conservar físicamente o a través de medios electromagnéticos y por un periodo no inferior a 5 años, en mis oficinas, toda la documentación, información y demás elementos de juicio utilizados para elaborar el dictamen correspondiente y a proporcionarlos a la Comisión, cuando me lo solicite.

IV. Cuento con documento vigente, que acredita mi capacidad técnica.

V. No tengo ofrecimiento para ser consejero o directivo de la Emisora.

Adicionalmente, otorgo mi consentimiento para que la Emisora incluya en el reporte anual y prospecto o suplemento el informe de los estados financieros de la Emisora que dictaminé.

Lo anterior en el entendido que previamente deberé cerciorarme de la información contenida en los estados financieros publicados en la página de internet de la Emisora y de la Bolsa Mexicana de Valores, S.A.B de C.V. que se incorporan por referencia al reporte anual, aquellos que se adjuntan al mismo, así como cualquier otra información financiera incluida en dicho documento cuya fuente provenga de los mencionados estados financieros o del dictamen que al efecto presenté, coincida con la dictaminada, con el fin de que dicha información sea hecha del conocimiento público.

Muy atentamente,

C.P.C. Ricardo Santiago Beltrán García
Socio de Galaz, Yamazaki, Ruiz Urquiza, S.C.
Miembro de Deloitte Touche Tohmatsu Limited.

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Lázaro Cárdenas 2321 Pte., PB
Residencial San Agustín
66260 Garza García, N.L.
México

Tel: +52 (81) 8133 7300
Fax: +52 (81) 8133 7383
www.deloitte.com/mx

27 de abril de 2017

Al consejo de Administración y Accionistas de
GM Financial de México, S.A. de C.V. SOFOM, E.R.

Estimados Señores:

Como complemento a la carta de independencia firmada el 27 de febrero de 2016, respecto a los estados financieros de GM Financial de México, S.A. de C.V. SOFOM, E.R. (Emisora) correspondiente al año que terminó el 31 de diciembre de 2016 y en cumplimiento con las Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a Otros Participantes del Mercado de Valores (Disposiciones), emitidas por la Secretaría de Hacienda y Crédito Público – Comisión Nacional Bancaria y de Valores (Comisión), publicadas en el Diario Oficial de la Federación el 2 de diciembre de 2005, y actualizadas el 6 de enero de 2017, manifiesto bajo protesta de decir verdad y de conformidad con lo establecido en el Artículo 84 Bis de dichas Disposiciones, en relación a los estados financieros de la Emisora correspondientes a los años que terminaron el 31 de diciembre de 2016, 2015 y 2014, lo siguiente:

Otorgo mi consentimiento para que la Emisora incluya en la información anual a que hace referencia el artículo 33, fracción I, inciso b), numeral 1. de las Disposiciones, el dictamen sobre los estados financieros que al efecto emití, así como cualquier otra información financiera cuya fuente provenga de los mencionados estados financieros o del dictamen que al efecto presenté, con el fin de que dicha información sea hecha del conocimiento público.

Lo anterior, en el entendido de que previamente me cercioré de que la información contenida en los estados financieros incluidos en el reporte anual de que se trate, así como cualquier otra información financiera incluida en dicho documento cuya fuente provenga de los mencionados estados financieros o del dictamen que al efecto presenté, coincide con la información financiera dictaminada.

Muy atentamente,

C.P.C. Ricardo Santiago Beltrán García
Socio de Galaz, Yamazaki, Ruiz Urquiza, S.C.
Miembro de Deloitte Touche Tohmatsu Limited

Deloitte.

Deloitte & Touche LLP
201 Main Street
Suite 1501
Fort Worth, TX 76102
USA
Tel: + 817 347 3360
www.deloitte.com

April 28, 2017

Board of Directors
General Motors Financial Company, Inc.
801 Cherry St. Suite 3500
Fort Worth, TX 76102

Ladies and Gentlemen:

On behalf of Deloitte & Touche LLP (D&T), a Delaware limited liability partnership located in the United States of America, in its capacity as external auditor of General Motors Financial Company, Inc. and subsidiaries (the Company), and in accordance with Article 84 of the general provisions applicable to securities issuers and other securities market participants (*Disposiciones de Carácter General Aplicables a las Emisoras de Valores*, the General Provisions) issued by the National Banking and Securities Commission (the Commission), in relation to our report dated February 7, 2017, on the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2016, the undersigned hereby represents that:

I. The undersigned and D&T, of which he is a partner, are independent accountants with respect to the Company and its affiliates, within the meaning of the rules and standards of the Public Company Accounting Oversight Board (United States) and the securities laws and regulations administered by the Securities and Exchange Commission (United States).

II. D&T shall, subject to applicable U.S. laws, regulations, and professional standards, including obligations of confidentiality, provide the Commission with any information it may reasonably request to verify D&T's independence from the Company as stated herein.

III. D&T shall retain, physically or by electronic means, the audit documentation prepared in connection with the audit report referenced above on the consolidated financial statements of the Company as of December 31, 2016, 2015, and 2014 for a period of no less than five years after the issuance of the report.

IV. The undersigned is a licensed certified public accountant in the state of Texas, USA.

V. The undersigned is not, nor has he had an offer to become, an officer or director of the Company.

Sincerely yours,

Deloitte & Touche LLP

Howard Cohen
Audit Partner
Deloitte & Touche LLP

Board of Directors
General Motors Financial Company, Inc.
801 Cherry St. Suite 3500
Fort Worth, TX 76102

We agree to the inclusion in the Annual Report of GM Financial de México, S.A. de C.V. SOFOM E.R. (the Issuer) filed with the Mexican Stock Exchange, S.A.B. of C.V. on April 28, 2017 (the Annual Report), of our report dated February 7, 2017, on our audit of the consolidated financial statements of General Motors Financial Company, Inc. (GMF) that are included in GMF's 2016 annual report on Form 10-K, as filed with the Securities and Exchange Commission on February 7, 2017, a copy of which is included under section *VI. Annexes* of the Annual Report.

The undersigned also declares that we have read an English version of the Annual Report and, based on such reading and within the scope of the audits performed, nothing has come to our attention that caused us to believe that there are material errors or inconsistencies in the information presented therein that has been derived from the audited consolidated financial statements of GMF referred to above.

Deloitte & Touche LLP

Fort Worth, Texas
April 28, 2017

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Estados financieros por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014, e Informe de los auditores independientes del 27 de febrero de 2017

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Informe de los auditores independientes y estados financieros al 31 de diciembre de 2016, 2015 y 2014

Contenido

Deloitte.

Galaz, Yamazaki,
Ruiz Urquiza, S.C.
Lázaro Cárdenas 2321 Pte., PB
Residencial San Agustín
66260 Garza García, N.L.
México

Tel: +52 (81) 8133 7300
Fax: +52 (81) 8133 7383
www.deloitte.com/mx

Informe de los auditores independientes al Consejo de Administración y Accionistas de GM Financial de México, S.A. de C.V., SOFOM, E.R.

Opinión

Hemos auditado los estados financieros adjuntos de GM Financial de México, S.A. de C.V., SOFOM, E.R. (la Entidad), subsidiaria de General Motors Financial Company Inc., los cuales comprenden los balances generales al 31 de diciembre de 2016, 2015 y 2014, y los estados de resultados, de variaciones en el capital contable y de flujos de efectivo, correspondientes a los años que terminaron en esas fechas, así como un resumen de las políticas contables significativas.

En nuestra opinión, los estados financieros adjuntos presentan razonablemente, en todos los aspectos importantes, la situación financiera de la Entidad al 31 de diciembre de 2016, 2015 y 2014, así como sus resultados y flujos de efectivo correspondientes a los años que terminaron en esas fechas, de conformidad con los criterios contables establecidos por la Comisión Nacional Bancaria y de Valores (la Comisión) a través de las "Disposiciones de Carácter General aplicables a las Instituciones de Crédito" (los Criterios Contables).

Fundamentos de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con las Normas Internacionales de Auditoría (NIA). Nuestras responsabilidades bajo esas normas se explican más ampliamente en la sección de Responsabilidades del auditor en relación con la auditoría de los estados financieros de nuestro informe. Somos independientes de la Entidad de conformidad con el Código de Ética para Profesionales de la Contabilidad del Consejo de Normas Internaciones de Ética para Contadores (Código de Ética del IESBA) y con el emitido por el Instituto Mexicano de Contadores Públicos (Código de Ética del IMCP), y hemos cumplido con las demás responsabilidades de ética de conformidad con el Código de Ética del IESBA y con el Código de Ética del IMCP. Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Responsabilidades de la administración y de los responsables del gobierno de la Entidad en relación con los estados financieros

La administración es responsable de la preparación y presentación razonable de los estados financieros adjuntos de conformidad con los Criterios Contables emitidos por la Comisión, y del control interno que la administración considere necesario para permitir la preparación de los estados financieros libres de error material, debido a fraude o error.

En la preparación de los estados financieros, la administración es responsable de la evaluación de la capacidad de la Entidad de continuar como empresa en funcionamiento, revelando según corresponda, las cuestiones relacionadas con la Entidad en funcionamiento y utilizando el principio contable de empresa en funcionamiento, excepto si la administración tiene intención de liquidar a la Entidad o detener sus operaciones, o bien no exista otra alternativa realista.

Los responsables del gobierno de la Entidad son responsables de la supervisión del proceso de información financiera de la Entidad.

Deloitte.

Responsabilidades del Auditor para la auditoría de los estados financieros

Nuestros objetivos son obtener una seguridad razonable de que los estados financieros en su conjunto están libres de errores materiales, debido a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión. Seguridad razonable es un alto nivel de seguridad pero no garantiza que una auditoría realizada de conformidad con las NIA siempre detecte un error material cuando existe. Los errores pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyen en las decisiones económicas que los usuarios toman basándose de los estados financieros.

Como parte de una auditoría ejecutada de conformidad con las NIA, ejercemos nuestro juicio profesional y mantenemos el escepticismo profesional durante toda la auditoría. Nosotros también:

- Identificamos y evaluamos los riesgos de incorreción material de los estados financieros, debido a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos, y obtuvimos evidencia de auditoría que es suficiente y apropiada para proporcionar las bases para nuestra opinión. El riesgo de no detectar una incorreción material debido a fraude es más elevado que en el caso de una incorreción material debido a un error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionalmente erróneas o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias y no con el fin de expresar una opinión sobre la efectividad del control interno de la Entidad.
- Evaluamos la adecuación de las políticas contables aplicadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por la Administración.
- Concluimos sobre lo adecuado de la utilización por la Administración, de la norma contable de empresa en funcionamiento y, basándose en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o condiciones que pueden generar dudas significativas sobre la capacidad de la Entidad para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en los estados financieros o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, hechos o condiciones futuros pueden ser causa de que la Entidad deje de ser una empresa en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de los estados financieros, incluida la información revelada, y si los estados financieros representan las transacciones y eventos relevantes de un modo que logran la presentación razonable.

Comunicamos a los responsables del gobierno de la Entidad en relación con, entre otras cuestiones, el alcance y el momento de la realización de la auditoría planificados los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa en el control interno que identificamos en el transcurso de la auditoría.

También proporcionamos a los responsables del gobierno de la Entidad una declaración de que hemos cumplido con los requerimientos de ética aplicables en relación con la independencia y comunicado con ellos acerca de todas las relaciones y demás cuestiones de las que se puede esperar razonablemente que pueden afectar nuestra independencia, y en su caso, las correspondientes salvaguardas.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Miembro de Deloitte Touche Tohmatsu Limited

C.P.C. Ricardo Santiago Beltrán García
Registro en la Administración General
de Auditoria Fiscal Federal Núm. 14937
27 de febrero de 2017

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Balances generales

Al 31 de diciembre de 2016, 2015 y 2014
(En miles de pesos)

	2016	2015	2014
Activo			
Disponibilidades	$ 1,908,164	$ 1,488,176	$ 1,178,666
Deudores de reporto (saldo deudor)	2,405,629	1,541,615	1,504,080
Derivados:			
Con fines de negociación	331,897	9,839	7,476
Cartera de crédito vigente:			
Créditos comerciales	19,463,307	15,270,559	11,445,604
Créditos de consumo	33,634,660	20,120,336	14,667,052
Total cartera de crédito vigente	53,097,967	35,390,895	26,112,656
Cartera de crédito vencida:			
Créditos comerciales	64,524	48,177	47,623
Créditos de consumo	472,517	267,757	223,569
Total cartera de crédito vencida	537,041	315,934	271,192
Total Cartera de Crédito	53,635,008	35,706,829	26,383,848
Estimación preventiva para riesgos crediticios	(1,174,130)	(714,126)	(509,777)
Total de Cartera de crédito, neta	52,460,878	34,992,703	25,874,071
Otras cuentas por cobrar (neto)	464,031	284,256	87,974
Bienes adjudicados (neto)	57	100	-
Inmuebles, mobiliario y equipo (neto)	1,282,683	147,039	55,535
Impuestos diferidos (neto)	867,166	371,400	245,873
Otros activos:			
Cargos diferidos, pagos anticipados (principalmente seguros)	1,296,497	759,838	637,435
Total activo	$61,017,002	$39,594,966	$29,591,110

	2016	2015	2014
Pasivo y capital contable			
Pasivos bursátiles	$ 1,186,142	$ 1,403,429	$ 1,102,495
Préstamos bancarios y de otros organismos:			
De corto plazo	23,894,104	14,988,253	9,040,354
De largo plazo	14,848,778	9,638,605	7,669,733
	38,742,882	24,626,858	16,710,087
Derivados:			
Con fines de negociación	-	4,470	24,938
Otras cuentas por pagar:			
Impuestos a la utilidad por pagar	101,433	189,801	16,912
Acreedores diversos y otras cuentas por pagar	10,114,394	5,469,506	4,328,786
Créditos diferidos	2,890,066	981,991	642,483
Total pasivo	53,034,917	32,676,055	22,825,701
Capital contable			
Capital contribuido:			
Capital social	85,986	85,986	85,986
Capital ganado:			
Reservas de capital	25,916	25,916	25,916
Resultado de ejercicios anteriores	6,807,311	6,053,679	5,925,011
Resultado neto	1,062,872	753,330	728,496
Total capital contable	7,982,085	6,918,911	6,765,409
Total pasivo y capital contable	$61,017,002	$39,594,966	$29,591,110

El saldo histórico del capital social al 31 de diciembre de 2016, 2015 y 2014 es de $50,000.

Cuentas de orden (Nota 4 o) (no auditado):	2016	2015	2014
Compromisos Crediticios	$4,381,319	$4,488,800	$5,669,315
Colaterales recibidos por la Entidad	$2,405,630	$1,541,615	$1,504,080
Intereses devengados no cobrados derivados de cartera de crédito vencida	$ 38,092	$ 17,130	$ 11,543
Rentas devengadas no cobradas derivadas de operaciones de arrendamiento operativo	$ 384	$ -	$ -

Los presentes balances generales se formularon de conformidad con los Criterios de Contabilidad para las Instituciones de Crédito, emitidos por la Comisión Nacional Bancaria y de Valores, con fundamento en lo dispuesto por los artículos 99, 101 y 102 de la Ley de Instituciones de Crédito, de observancia general y obligatoria, aplicados de manera consistente, encontrándose reflejadas las operaciones efectuadas por la Entidad hasta las fechas arriba mencionadas, las cuales se realizaron y valuaron con apego a sanas prácticas bancarias y a las disposiciones legales y administrativas aplicables. Los presentes balances generales, fueron aprobados por el Consejo de Administración bajo la responsabilidad de los directivos que los suscriben.

Las notas aclaratorias que se acompañan forman parte integrante de estos estados financieros.

https://www.gmfsecure.com/inversionistas/#inicio

http://www.cnbv.gob.mx

Sr. Frederick George Livingood Director General	Sr. Christiaan Salvador Glastra Tejeda Director de Finanzas	Sr. Armando Valdés Hernández Contralor	Sra. Abigail Cecilia Muñiz González Auditor Interno

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Estados de resultados

Por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014
(En miles de pesos)

	2016	2015	2014
Ingresos por intereses	$4,913,257	$ 3,374,639	$2,669,384
Gastos por intereses	(1,925,489)	(1,025,670)	(818,707)
Margen financiero	2,987,768	2,348,969	1,850,677
Estimación preventiva para riesgos crediticios	(851,005)	(481,891)	(326,466)
Margen financiero ajustado por riesgos crediticios	2,136,763	1,867,078	1,524,211
Comisiones y tarifas cobradas	521,319	425,780	418,470
Comisiones y tarifas pagadas	(761,992)	(548,661)	(414,488)
Resultado por intermediación	322,155	757	1,818
Resultado por arrendamiento operativo	75,508	10,044	1,321
Otros ingresos de la operación	124,439	90,007	98,734
Gastos de administración	(1,027,186)	(818,120)	(723,652)
Resultado de la operación	1,391,006	1,026,885	906,414
Impuestos a la utilidad:			
Causado	823,901	399,081	170,998
Diferido	(495,767)	(125,526)	6,920
	328,134	273,555	177,918
Resultado neto	$1,062,872	$ 753,330	$ 728,496

Los presentes estados de resultados se formularon de conformidad con los Criterios de Contabilidad para Instituciones de Crédito, emitidos por la Comisión Nacional Bancaria y de Valores con fundamento en lo dispuesto por los artículos 99, 101 y 102 de la Ley de Instituciones de Crédito, de observancia general y obligatoria, aplicados de manera consistente, encontrándose reflejados todos los ingresos y egresos derivados de las operaciones efectuadas por la Entidad durante los períodos arriba mencionados, las cuales se realizaron y valuaron con apego a sanas prácticas bancarias y a las disposiciones legales y administrativas aplicables. Los presentes estados de resultados fueron aprobados por el Consejo de Administración bajo la responsabilidad de los directivos que los suscriben.

Las notas aclaratorias que se acompañan, forman parte integrante de estos estados financieros.

https://www.gmfsecure.com/inversionistas/#inicio

http://www.cnbv.gob.mx

Sr. Frederick George Livingood
Director General

Sr. Christiaan Salvador Olastra Tejeda
Director de Finanzas

Sr. Armando Valdés Hernández
Contralor

Sra. Abigail Cecilia Muñiz González
Auditor Interno

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Estados de variaciones en el capital contable

Por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014
(En miles de pesos)

	Capital contribuido		Capital ganado		
	Capital social	Reservas de capital	Resultado de ejercicios anteriores	Resultado neto	Total capital contable
Saldos al 1 de enero de 2014	$ 85,986	$25,916	$6,184,240	$740,771	$7,036,913
Movimientos inherentes a decisiones de los accionistas:					
Traspaso del resultado neto a resultado de ejercicios anteriores	-	-	740,771	(740,771)	-
Pago de dividendos	-	-	(1,000,000)	-	(1,000,000)
Total	-	-	(259,229)	(740,771)	(1,000,000)
Movimientos inherentes al reconocimiento de la utilidad integral - Resultado neto	-	-	-	728,496	728,496
Saldos al 31 de diciembre de 2014	85,986	25,916	5,925,011	728,496	6,765,409
Movimientos inherentes a decisiones de los accionistas:					
Traspaso del resultado neto a resultado de ejercicios anteriores	-	-	728,496	(728,496)	-
Pago de dividendos	-	-	(600,000)	-	(600,000)
Otros	-	-	172	-	172
Total	-	-	128,668	(728,496)	(599,828)
Movimientos inherentes al reconocimiento de la utilidad integral - Resultado neto	-	-	-	753,330	753,330
Saldo final al 31 de diciembre de 2015	85,986	25,916	6,053,679	753,330	6,918,911
Movimientos inherentes a decisiones de los accionistas:					
Traspaso del resultado neto a resultado de ejercicios anteriores	-	-	753,330	(753,330)	-
Pago de dividendos	-	-	-	-	-
Otros	-	-	302	-	302
Total	-	-	753,632	(753,330)	302
Movimientos inherentes al reconocimiento de la utilidad integral - Resultado neto	-	-	-	1,062,872	1,062,872
Saldo final al 31 de diciembre de 2016	$ 85,986	$25,916	$6,807,311	$1,062,872	$7,982,085

Los presentes estados de variaciones en el capital contable se formularon de conformidad con los Criterios de Contabilidad para Instituciones de Crédito, emitidos por la Comisión Nacional Bancaria y de Valores con fundamento en lo dispuesto por los artículos 99, 101 y 102 de la Ley de Instituciones de Crédito, de observancia general y obligatoria, aplicados de manera consistente, encontrándose reflejados todos los movimientos en las cuentas de capital contable derivados de las operaciones efectuadas por la Entidad durante los períodos arriba mencionados, las cuales se realizaron y valuaron con apego a sanas prácticas bancarias y a las disposiciones legales y administrativas aplicables. Los presentes estados de variaciones en el capital contable fueron aprobados por el Consejo de Administración bajo la responsabilidad de los directivos que los suscriben.

Las notas aclaratorias que se acompañan, forman parte integrante de estos estados financieros.

https://www.gmfsecure.com/inversionistas/#inicio

http://www.cnbv.gob.mx

Sr. Frederick George Livingood	Sr. Christiaan Salvador Glastra Tejeda	Sr. Armando Valdés Hernández	Sra. Abigail Cecilia Muñiz González
Director General	Director de Finanzas	Contralor	Auditor Interno

GM Financial de México, S.A. de C.V., SOFOM, E.R.
(Subsidiaria de General Motors Financial Company Inc.)

Estados de flujos de efectivo

Por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014
(En miles de pesos)

	2016	2015	2014
Resultado neto	$ 1,062,872	$ 753,330	$ 728,496
Ajustes por partidas que no implican flujo de efectivo:			
Depreciaciones de inmuebles, mobiliario y equipo	165,455	35,494	21,968
Provisiones	8,486	21,068	11,745
Impuestos a la utilidad causados y diferidos	328,134	273,555	177,918
	1,564,947	1,083,447	940,127
Actividades de operación:			
Cambio en deudores por reporto	(864,016)	(37,535)	(259,103)
Cambio derivados (activo)	(322,058)	(2,363)	(4,943)
Cambio en cartera de crédito (neta)	(17,468,175)	(9,118,632)	(4,066,218)
Cambio en bienes adjudicados (neto)	43	(100)	-
Cambio en otros activos operativos (neto)	(2,819,123)	(825,710)	(401,973)
Cambio en pasivos bursátiles	(217,287)	300,934	952,308
Cambio en préstamos bancarios y de otros organismos	14,116,024	7,916,771	3,539,149
Cambio en derivados (pasivo)	(4,470)	(20,468)	(8,289)
Cambio en otros pasivos operativos	6,456,411	1,632,219	407,712
Flujos netos de efectivo de actividades de operación	(1,122,651)	(154,884)	158,643
Actividades de inversión:			
Cobros por disposición de mobiliario y equipo	6,879	6,487	4,945
Pagos por adquisición de mobiliario y equipo	(29,187)	(25,540)	(13,102)
Flujos netos de efectivo de actividades de inversión	(22,308)	(19,053)	(8,157)
Actividades de financiamiento			
Pago de dividendos	-	(600,000)	(1,000,000)
Flujos netos de efectivo de actividades de financiamiento	-	(600,000)	(1,000,000)
Incremento neto de efectivo	419,988	309,510	90,613
Efectivo y equivalentes de efectivo al inicio del periodo	1,488,176	1,178,666	1,088,053
Efectivo y equivalentes de efectivo al final del periodo	$ 1,908,164	$1,488,176	$1,178,666

Los presentes estados de flujos de efectivo se formularon de conformidad con los Criterios de Contabilidad para Instituciones de Crédito, emitidos por la Comisión Nacional Bancaria y de Valores con fundamento en lo dispuesto por los artículos 99, 101 y 102 de la Ley de Instituciones de Crédito, de observancia general y obligatoria, aplicados de manera consistente, encontrándose reflejadas las entradas de efectivo y salidas de efectivo derivadas de las operaciones efectuadas por la Entidad durante los periodos arriba mencionados, las cuales se realizaron y valuaron con apego a sanas prácticas bancarias y a las disposiciones legales y administrativas aplicables. Los presentes estados de flujos de efectivo fueron aprobados por el Consejo de Administración bajo la responsabilidad de los directivos que los suscriben. Las notas adjuntas son parte integrante de estos estados.

Las notas aclaratorias que se acompañan forman parte integrante de estos estados financieros.

https://www.gmfsecure.com/inversionistas/#inicio
http://www.cnbv.gob.mx

Sr. Frederick George Livingood
Director General

Sr. Christiaan Salvador Glastra Tejeda
Director de Finanzas

Sr. Armando Valdés Hernández
Contralor

Sra. Abigail Cecilia Muñiz González
Auditor Interno

Notas a los estados financieros

Por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014
(En miles de pesos)

1. Actividades

GM Financial de México, S.A. de C.V., SOFOM, E.R. (antes GM Financial de México, S.A. de C.V., SOFOM, E.N.R.), (la Entidad), es indirectamente una subsidiaria al 100% de General Motors Financial Company Inc. (la Tenedora o GMF), la cual a su vez es controlada por General Motors Holdings LLC (GMH). El 1 de abril de 2014, GMF adquirió a través de GMH el 100% de las acciones que Ally Mexico Holdings LLC. poseía del capital social de la Entidad.

La Entidad se constituyó con autorización de la Secretaría de Hacienda y Crédito Público (SHCP) para operar como una sociedad financiera de objeto limitado. El 29 de noviembre de 2014 fue aprobada en forma unánime por los accionistas el cambio de la denominación social de la Entidad a GM Financial de México, S.A. de C.V., Entidad Financiera de Objeto Múltiple, Entidad No Regulada, cuya autorización por parte de la SHCP fue a partir del 15 de enero de 2015. Mediante asamblea general extraordinaria de accionistas celebrada el 21 de abril de 2015 se aprobó el cambio de denominación social a GM Financial de México, S.A. de C.V., SOFOM, E.R. una vez que la Comisión Nacional Bancaria y de Valores de México (la Comisión) aprobó dicho cambio.

Su principal actividad consiste en el otorgamiento de créditos para la adquisición de vehículos de la red de distribuidores de su afiliada General Motors de México, S. de R.L. de C.V. (GMM), y otras plantas armadoras, así como créditos otorgados al público en general.

La Entidad ha celebrado con los distribuidores autorizados GMM y de otras armadoras, contratos de apertura de crédito en cuenta corriente con garantía prendaria, al amparo de los cuales los vehículos adquiridos por los distribuidores son otorgados en garantía a favor de la Entidad. Asimismo, de acuerdo con lo establecido en dichos contratos de crédito, la Entidad paga directamente a GMM y a las otras armadoras el valor de las unidades adquiridas. Derivado de la administración de las unidades en Plan Piso que la Entidad paga a GMM, la Entidad calcula y cobra a GMM un incentivo por el valor de las unidades, durante el periodo libre de intereses otorgado por GMM a los distribuidores por el uso de la línea de crédito de Plan Piso.

Adicionalmente, con base en los contratos de menudeo celebrados con los mismos distribuidores, con GMM, y las otras armadoras, la Entidad financia la venta de vehículos nuevos y usados a los clientes de dichos distribuidores. Los contratos prevén, si las partes así lo convienen, la participación de las plantas manufactureras y los distribuidores en el financiamiento otorgado a los clientes. Los financiamientos otorgados a clientes están amparados con los vehículos objeto de la venta. Por estos financiamientos se generan algunas comisiones a cargo y a favor de la Entidad.

A partir de 2014, la Entidad incorporó operaciones de arrendamiento operativo como parte de sus actividades de financiamiento a clientes. Al 31 de diciembre de 2016, el número de contratos negociados ascendió a 2,479 contratos, 186 en 2015 y 64 en 2014. En virtud de que la operación está iniciando y su volumen no es significativo, otras revelaciones requeridas se consideran poco importantes.

La Entidad no tiene personal y sus funciones administrativas y de operación se llevan a cabo por una compañía afiliada, consecuentemente, no tiene obligaciones de carácter laboral.

2. Entorno regulatorio

La Ley General de Organizaciones y Actividades Auxiliares del Crédito (LGOAAC), aplicable a las Entidades Financieras de Objeto Múltiple (Sofom/Sofomes), regula a estas entidades para el otorgamiento de créditos, factoraje y arrendamiento financiero. Las Sofomes pueden ser o no reguladas por la Comisión. Como se menciona más adelante en la Nota 4, la Entidad requiere seguir para efectos de la elaboración de sus registros contables los lineamientos definidos por la Comisión para las Sofomes reguladas y, para efectos de la determinación de la estimación preventiva para riesgos crediticios, deberá aplicar la metodología establecida por la propia Comisión para las instituciones de crédito.

Con base en sus facultades de inspección y vigilancia la Comisión, en su carácter de regulador, incluyen la de llevar a cabo revisiones de su información financiera por lo que pueden ordenar los cambios que juzgue convenientes.

3. Bases de presentación

Unidad monetaria de los estados financieros - Los estados financieros y notas al 31 de diciembre de 2016, 2015 y 2014, y por los años que terminaron en esas fechas, incluyen saldos y transacciones en pesos de diferente poder adquisitivo.

Resultado integral - Es la modificación del capital contable durante el período por conceptos que no son distribuciones ni movimientos del capital contribuido; se integra por el resultado neto del ejercicio más otras partidas que representan una ganancia o pérdida del mismo período, las cuales, de acuerdo con los criterios definidos por la Comisión, se presentan directamente en el capital contable sin afectar el estado de resultados. En 2016, 2015 y 2014, el resultado integral está representado únicamente por el resultado neto.

4. Resumen de las principales políticas contables

Las políticas contables que sigue la Entidad están de acuerdo con los criterios contables establecidos por la Comisión, los cuales se incluyen en las "Disposiciones de Carácter General Aplicables a los Almacenes Generales de Depósito, Casas de Cambio, Uniones de Crédito, Sociedades Financieras de Objeto Múltiple Reguladas" (las "Disposiciones"), las cuales requieren que la Administración efectúe ciertas estimaciones y utilice ciertos supuestos para determinar la valuación de algunas de las partidas incluidas en los estados financieros y efectuar las revelaciones que se requieran en los mismos. Aun cuando pueden llegar a diferir de su efecto final, la Administración considera que las estimaciones y supuestos utilizados fueron los adecuados en las circunstancias actuales.

De acuerdo con el criterio contable A-1 "Esquema básico del conjunto de criterios contables aplicables a Instituciones de Crédito" de la Comisión, la contabilidad de las Sofomes se ajustará a las normas de información financiera aplicables en México (NIF), definidas por el Consejo Mexicano de Normas de Información Financiera, A.C. (CINIF), excepto cuando a juicio de la Comisión sea necesario aplicar una normatividad o un criterio contable específico, tomando en consideración que las Sofomes realizan operaciones especializadas.

A continuación se describen las principales políticas contables seguidas por la Entidad:

a. ***Cambios contables –***

A partir del 1 de enero de 2016, la Entidad adoptó las siguientes mejoras a las NIF:

Mejoras a las NIF 2016 – Se emitieron las siguientes mejoras que provocaron cambios contables:

Asimismo, se adoptaron las siguientes normas que no generan cambios contables:

NIF C-3, Cuentas por cobrar - Se hacen precisiones al alcance de la norma para homologar varios conceptos relacionados al tema de instrumentos financieros

Al 31 de diciembre de 2016, la Sociedad no tuvo efectos de estas nuevas normas en su información financiera.

b. ***Reconocimiento de los efectos de la inflación*** - La inflación acumulada de los tres ejercicios anuales anteriores al 31 de diciembre de 2016, 2015 y 2014, es 9.57%, 11.68% y 11.80%, respectivamente; por lo tanto, el entorno económico califica como no inflacionario en ambos ejercicios y, consecuentemente, no se reconocen los efectos de la inflación en los estados financieros adjuntos. Los porcentajes de inflación por los años que terminaron el 31 de diciembre de 2016, 2015 y 2014 fueron 3.36%, 2.13% y 4.08%, respectivamente.

c. ***Disponibilidades*** - Este rubro se integra principalmente por depósitos en compañías financieras efectuados en el país, representados por efectivo e inversiones a corto plazo, de gran liquidez, fácilmente convertibles en efectivo. Se valúan a valor nominal y en el caso de moneda extranjera se valúa a su valor razonable con base en el tipo de cambio emitido por Banco de México al cierre del ejercicio. La cobranza procedente de la cartera cedida en garantía, se reconoce como una disponibilidad restringida. Los rendimientos que generan los depósitos se reconocen en los resultados del ejercicio conforme se devengan.

d. ***Instrumentos financieros derivados*** - La Entidad obtiene financiamientos bajo diferentes condiciones; cuando estos son a tasa variable, con la finalidad de reducir su exposición a riesgos de volatilidad en tasas de interés, pueden ser contratados algunos instrumentos financieros derivados tales como Swaps que convierten su perfil de pago de intereses de tasa variable a tasa fija, así como opciones Caps de tasa de interés. La negociación con instrumentos derivados se realiza sólo con instituciones de reconocida solvencia y se han establecido límites de contraparte para cada institución. La política de la Entidad es la de no realizar operaciones con instrumentos financieros derivados con propósitos de especulación.

La Entidad reconoce todos los activos o pasivos que surgen de las operaciones con instrumentos financieros derivados en el balance general a valor razonable, independientemente del propósito de su tenencia. La Entidad decidió dar el tratamiento contable de negociación a sus instrumentos financieros derivados, por lo que las ganancias o pérdidas resultantes de la valuación a valor razonable son reconocidas inmediatamente en los resultados del período. El valor razonable se determina con base en precios de mercados reconocidos o provistos por contrapartes y determinados con base en técnicas de valuación aceptadas en el ámbito financiero.

e. ***Cartera de crédito*** - Representa el saldo de los montos efectivamente entregados a los acreditados más los intereses devengados no cobrados. La estimación preventiva para riesgos crediticios se presenta deduciendo de los saldos de cartera.

El saldo insoluto de los créditos se registra como cartera vencida cuando cumpla con las siguientes características:

1. Créditos con pago único de principal e intereses al vencimiento presenten 30 o más días naturales de vencidos;
2. Créditos con pagos periódicos parciales de principal e intereses presentan 90 o más días naturales de vencidos;
3. Cuando se tiene evidencia de que el cliente ha sido declarado en concurso mercantil.

Los intereses se reconocen como ingresos en el momento en que se devengan. La acumulación de intereses se suspende al momento en que el crédito se traspasa a cartera vencida, y a partir de ese momento se controlan en cuentas de orden.

Los intereses ordinarios devengados durante el periodo en que el crédito se consideró cartera vencida se reconocen como ingresos en el momento en que se cobran.

La Entidad aplica anualmente contra la estimación preventiva para riesgos crediticios los créditos que considera incobrables de la cartera vencida y con antigüedad mayor a un año.

La cartera que ha sido otorgada como garantía de los préstamos obtenidos por la Entidad, es designada como cartera restringida.

La cartera bursátil está siendo administrada por la Entidad debido a que corresponde a cartera cedida con recurso.

f. ***Estimación preventiva para riesgos crediticios*** - Se mantiene una estimación para riesgos crediticios, la cual a juicio de la Administración, es suficiente para cubrir cualquier pérdida que pudiera surgir tanto de los préstamos incluidos en su cartera de créditos, como de otros riesgos crediticios. A continuación se establece la metodología para determinar esta estimación.

Reserva de cartera consumo – Las reservas de la cartera de consumo no revolvente, se determinan evaluando la probabilidad de incumplimiento, la severidad de la pérdida y la exposición al incumplimiento, crédito por crédito, considerando los datos históricos de dicha cartera.

Reserva de cartera comercial – La reserva de la cartera comercial se determina con base al artículo 110 de la Circular Única de Bancos (CUB). Hasta 2013, para calificar la cartera comercial y reconocer la reserva respectiva, se utilizaba la metodología establecida en las Disposiciones, que consideraba la situación financiera, el entorno económico, la fuente e historial de pago, la calidad de la información y las garantías. Dicha calificación se realizaba individualmente excepto por los créditos a cargo de un mismo deudor cuyo saldo era menor a un importe equivalente a 4 millones de Unidades de Inversión (UDIS), los cuales eran evaluados de forma paramétrica atendiendo a los meses transcurridos a partir del primer incumplimiento y asignando porcentajes de reserva diferentes según se tratara de cartera reestructurada o no reestructurada.

El 24 de junio de 2013, la Comisión emitió cambios a las Disposiciones en materia de calificación de cartera crediticia comercial aplicables al ejercicio 2013, adicionando los anexos 21 y 22 al artículo 110 de la Circular Única de Bancos (CUB), los cuales señalan que para la determinación de la calificación de cartera, se debe de considerar la probabilidad de incumplimiento, severidad de la pérdida y exposición al incumplimiento, considerando lo señalado más adelante en esta sección.

Las reservas de la cartera comercial se determinan mediante la evaluación del puntaje crediticio total para créditos a cargo de Personas Morales y Personas Físicas con Actividad Empresarial, haciendo la separación de aquellos con ingresos netos o ventas netas anuales menores al equivalente en moneda nacional a 14 millones de UDIS de conformidad con los anexos mencionados.

El porcentaje requerido de estimación preventiva para la cartera, se determina en función del grado de riesgo asignado, como se muestra a continuación:

Grados de riesgo	**Cartera de consumo**	**Cartera comercial**
A-1	0 a 2.0	0 a 0.9
A-2	2.01 a 3.0	0.901 a 1.5
B-1	3.01 a 4.0	1.501 a 2.0
B-2	4.01 a 5.0	2.001 a 2.50
B-3	5.01 a 6.0	2.501 a 5.0
C-1	6.01 a 8.0	5.001 a 10.0
C-2	8.01 a 15.0	10.001 a 15.5
D	15.01 a 35.0	15.501 a 45.0
E	35.01 a 100.0	Mayor a 45.0

Los intereses devengados no cobrados, considerados como cartera vencida, se reservan en su totalidad al momento del traspaso a dicha cartera.

Los créditos calificados como irrecuperables se cancelan contra la estimación preventiva cuando se determina la imposibilidad práctica de recuperación. Adicionalmente, por los créditos comerciales que se encuentren en cartera vencida y reservados en su totalidad, la Administración evalúa periódicamente si éstos deben ser aplicados contra la estimación preventiva.

Cualquier recuperación derivada de los créditos previamente castigados, se reconoce en los resultados del ejercicio.

Durante 2016, 2015 y 2014 se constituyeron reservas por $851,005, $481,891 y $326,466, respectivamente, mismas que fueron registradas en el rubro de estimación preventiva para riesgos crediticios en el estado de resultados.

Descripción General de las Metodologías Regulatorias establecidas por la Comisión - Las metodologías regulatorias para calificar la cartera de consumo y la cartera comercial establecen que la reserva de dichas carteras se determina con en base en la estimación de la pérdida esperada regulatoria de los créditos para los siguientes doce meses.

Dichas metodologías estipulan que en la estimación de dicha pérdida esperada se evalúan la probabilidad de incumplimiento, la severidad de la pérdida y la exposición al incumplimiento, y que el resultado de la multiplicación de estos tres factores es la estimación de la pérdida esperada que es igual al monto de reservas que se requieren constituir para enfrentar el riesgo de crédito.

Dependiendo del tipo de cartera, la probabilidad de incumplimiento, la severidad de la pérdida y la exposición al incumplimiento en las metodologías regulatorias se determinan considerando lo siguiente:

– Probabilidad de Incumplimiento:

  Consumo no revolvente - toma en cuenta la morosidad actual, los pagos que se realizan respecto al saldo de los últimos exigibles, las veces que se paga el valor original del bien, el tipo de crédito, el plazo remanente, entre otros.

  Comercial - considerando según el tipo de acreditado, los factores de experiencia de pago, experiencia de pago INFONAVIT, evaluación de las agencias calificadoras, riesgo financiero, riesgo socio-económico, fortaleza financiera, riesgo país y de la industria, posicionamiento del mercado, transparencia y estándares y gobierno corporativo y competencia de la administración.

– Severidad de la Pérdida:

  Consumo no revolvente - de acuerdo con el número de pagos incumplidos.

  Comercial - considerando garantías reales financieras y no financieras y garantías personales.

– Exposición al Incumplimiento:

  Consumo no revolvente - considera el saldo del crédito a la fecha de la calificación.

  Comercial - para créditos revocables se considera el saldo del crédito a la fecha de la calificación. Para créditos irrevocables se toma en cuenta el nivel actual de utilización de la línea para estimar en cuanto aumentaría el uso de dicha línea en caso de incumplimiento.

g. ***Concentración de riesgo crediticio*** - Los instrumentos financieros que potencialmente exponen al riesgo de crédito a la Entidad, consisten en cuentas por cobrar a clientes. Para reducir el riesgo de crédito, la Entidad realiza evaluaciones en forma periódica respecto a la situación financiera de sus clientes y les requiere garantías específicas. La Entidad considera que su concentración de riesgos de crédito es mínima dado el gran número de clientes y su dispersión geográfica. Adicionalmente, la Entidad considera que su riesgo de crédito potencial está adecuadamente cubierto con la estimación preventiva para riesgos crediticios que ha constituido para tal fin.

h. ***Inmuebles, mobiliario y equipo, neto*** - Las adiciones de mobiliario y equipo, así como los gastos de instalación, se registran a su costo de adquisición. Los saldos que provienen de adquisiciones realizadas entre el 1 de enero de 1997 y hasta el 31 de diciembre de 2007 se actualizaron aplicando factores derivados del INPC hasta esa fecha. La depreciación se calcula conforme al método de línea recta con base en la vida útil remanente de los activos, como sigue:

	%
Equipo de transporte	33.33
Equipo de oficina	20.00
Equipo de cómputo	33.33
Mejoras a locales arrendados	20.00
Automóviles otorgados en arrendamiento operativo	20.00

i. ***Intereses y comisiones cobradas y pagadas*** - Los ingresos y gastos financieros provenientes de las inversiones, créditos recibidos y comisiones, se reconocen en resultados conforme se devengan, incluyendo los derivados de contratos de menudeo con mensualidades vencidas, tal como lo indica el inciso e) de esta nota. Los intereses moratorios se registran en resultados hasta el momento en que se cobran.

Las comisiones cobradas por el otorgamiento inicial de créditos se registran como un crédito diferido, el cual se reconoce conforme se devenga en los resultados del ejercicio como un ingreso por intereses, durante la vida del crédito.

Las comisiones pagadas por la colocación de contratos de menudeo se registran dentro del rubro de Pagos anticipados y otros, y se amortizan en resultados conforme se devengan, en el rubro de Comisiones pagadas.

j. ***Transacciones en moneda extranjera*** - Las operaciones en moneda extranjera se registran al tipo de cambio vigente en la fecha de la operación. Los activos y pasivos en moneda extranjera se valúan en moneda nacional al tipo de cambio vigente a la fecha de los estados financieros, las fluctuaciones cambiarias se registran en los resultados.

k. ***Bienes adjudicados*** - A través de peritos son considerados los precios de mercado sobre bienes similares en condiciones de uso normal y las condiciones de mercado que han imperado en bienes similares dentro del propio mercado por lo que el valor de bienes adjudicados se reconocen a su costo o valor razonable deducido de los costos y gastos estrictamente indispensables que se eroguen en su adjudicación, el que sea menor. El perito determina el valor y lo presenta ante el juzgado basado en el estudio que realizó observando ciertas consideraciones como el valor de bienes similares nuevos que imperan en el mercado, se validan los valores de reposición nuevos que existen en el mercado sobre bienes similares, y dada la inmaterialidad en cifras y en volumen durante el año consideramos que otras revelaciones requeridas se consideran poco importantes. El monto de bienes adjudicados en 2016, 2015 y 2014 ascendió a $57, $100 y $0 respectivamente.

l. ***Provisiones*** - Se reconocen cuando se tiene una obligación presente como resultado de un evento pasado, que probablemente resulte en la salida de recursos económicos y que pueda ser estimada razonablemente.

m. ***Impuestos a la utilidad*** - El impuesto sobre la renta (ISR) se registra en los resultados del año en que se causan. Para reconocer el impuesto diferido se determina si, con base en proyecciones financieras, la Entidad causará ISR y reconoce el impuesto diferido que corresponde. El impuesto diferido se reconoce aplicando la tasa correspondiente a las diferencias temporales que resultan de la comparación de los valores contables y fiscales de los activos y pasivos, y en su caso, se incluyen los beneficios de las pérdidas fiscales por amortizar y de algunos créditos fiscales. El impuesto diferido activo se registra sólo cuando existe alta probabilidad de que pueda recuperarse.

n. ***Ingresos por intereses*** - Los ingresos por intereses se reconocen cuando es probable que los beneficios económicos fluyan hacia la Entidad y el importe de los ingresos pueda ser valuado confiablemente. Los ingresos por intereses se registran sobre una base periódica, con referencia al saldo insoluto y a la tasa de interés efectiva aplicable, la cual es la tasa que exactamente descuenta los flujos de efectivo estimados a recibir a lo largo de la vida esperada del activo financiero y lo iguala con el importe neto en libros del activo financiero en su reconocimiento inicial.

o. ***Cuentas de orden (no auditado)*** - Representan los intereses devengados no cobrados de la cartera vencida, en tanto los créditos relativos se mantengan en dicha cartera, el monto de las líneas de crédito autorizadas por la Entidad y no utilizados por el cliente y a partir del 2016 las rentas devengadas no pagadas con mayor antigüedad a 30 días.

En las cuentas de orden se registran activos o compromisos que no forman parte del balance general de la Entidad ya que no se adquieren los derechos de los mismos o dichos compromisos no se reconocen como pasivo de la Entidad en tanto dichas eventualidades no se materialicen, respectivamente. Los importes acumulados en las cuentas de orden solo han sido sujetos a pruebas de auditoría cuando de su información se deriva un registro contable.

5. Disponibilidades

Los intereses reconocidos en 2016, 2015 y 2014, ascendieron a $72,920, $43,241 y $45,959, respectivamente, los cuales se incluyen en el rubro Ingresos por intereses en los estados de resultados adjuntos.

Las Otras disponibilidades restringidas representan cobranza procedente de la cartera crediticia restringida, que se utiliza para garantizar el pago de los intereses de la deuda emitida por los fideicomisos y obligaciones originadas por cláusulas contractuales de las operaciones que se mencionan en la Nota 11. La Entidad podrá disponer del efectivo restringido cuando los contratos de fideicomiso que administran la cartera crediticia lleguen a su término.

Dentro del rubro de ingresos por intereses se incluyen los ingresos derivados de operaciones de inversión en reporto de deuda gubernamental por un monto de $68,962, $42,737 y $44,336 durante los ejercicios de 2016, 2015 y 2014 respectivamente.

6. Cartera de crédito

Las políticas y procedimientos que sigue la Entidad para el otorgamiento y administración de créditos, se encuentran documentados en el manual de crédito, el cual ha sido aprobado por el Consejo de Administración. En dicho manual se describen los parámetros para el análisis de la capacidad de pago de los acreditados, así como las políticas de administración y recuperación del crédito. La Entidad recaba información suficiente y confiable durante el proceso de suscripción de crédito, en apego a sus políticas. Cada solicitud de crédito es analizada a través de un proceso definido y documentado. Los principales aspectos que se consideran para la evaluación de las solicitudes son 1) historial crediticio del solicitante, 2) puntuaciones de crédito, basadas en los análisis realizados e 3) historial con la Entidad.

Los procesos para el control y recuperación de la cartera son establecidas por la entidad para este fin y se basan en los lineamientos establecidos por la misma; los cuales consisten básicamente en los siguientes procesos: evaluación de la información financiera del cliente, autorización por parte de los funcionarios responsables de la operación, administración y recuperación. La Entidad tiene establecidas dentro de sus procesos de recuperación de cartera, la cobranza por medios judiciales, entre otros.

a. La cartera de crédito al 31 de diciembre de 2016, 2015 y 2014 se clasifica de la siguiente manera:

	2016	2015	2014
Cartera de crédito vigente:			
Créditos comerciales:			
Restringida	$11,133,624	$ 7,833,842	$ 5,684,070
No restringida	8,329,683	7,436,717	5,761,534
	19,463,307	15,270,559	11,445,604
Créditos al consumo:			
Restringida	18,271,550	13,639,150	9,834,432
No restringida	15,363,110	6,481,186	4,832,620
	33,634,660	20,120,336	14,667,052
	$53,097,967	$35,390,895	$26,112,656

	2016	2015	2014
Cartera de crédito vencida:			
Créditos comerciales:			
Restringida	$ 12,116	$ 7,902	$ 9,239
No restringida	52,408	40,275	38,384
	64,524	48,177	47,623
Créditos de consumo:			
Restringida	68,265	37,770	35,402
No restringida	404,252	229,987	188,167
	472,517	267,757	223,569
	$ 537,041	$ 315,934	$ 271,192

Al 31 de diciembre de 2016 el saldo de cuentas por cobrar proveniente de arrendamiento operativo asciende a $10,534 el cual se incluye dentro de otras cuentas por cobrar, al 31 de diciembre de 2015 y 2014 asciende a $841 y $124, respectivamente, el cual se incluye dentro del saldo de cartera comercial.

La cartera considerada como restringida corresponde a los contratos de crédito de clientes que ha sido otorgada como garantía de los préstamos obtenidos por la Entidad.

b. La cartera de crédito vencida se compone de créditos comerciales y al consumo en moneda nacional. El saldo de la cartera vencida al 31 de diciembre de 2016, 2015 y 2014, se integran como sigue, por días de incumplimiento en los pagos:

	2016	**2015**	**2014**
Cartera de crédito comercial vencida:			
De 90 hasta 180 días	$ 35,734	$ 25,674	$ 27,106
De 181 hasta 365 días	28,790	22,503	20,517
	64,524	48,177	47,623
Cartera de crédito al consumo vencida:			
De 90 hasta 180 días	261,721	144,669	119,218
De 181 hasta 365 días	210,796	123,088	104,351
	472,517	267,757	223,569
	$537,041	$315,934	$271,192

Durante 2016 se realizó un reestructura en la cartera de crédito comercial, la cual se puede identificar en el desglose mostrado a continuación:

Cartera de consumo vigente	$33,634,660
Cartera comercial vigente	19,443,967
Cartera comercial vigente reestructurada	19,340
Total cartera comercial vigente	19,463,307
Total cartera vigente:	$53,097,967

La transacción fue considerada como reestructura debido a que el crédito original sufrió una prórroga del plazo de crédito y un cambio en la tasa de interés pactada originalmente. Durante 2015 y 2014 no se realizaron reestructuras de créditos.

El proceso seguido por la entidad para el otorgamiento de una posible Reestructura es como sigue:

- Se realiza el análisis de crédito correspondiente por el área de Riesgos en donde se valida que la condición financiera del cliente es satisfactoria y cuenta con el flujo de efectivo suficiente para continuar con el crédito originalmente otorgado.
- El área de crédito comercial valida y se asegura que el préstamo en cuestión cumpla con ciertas condiciones para ser elegible a una restructura, como son:

i. El Distribuidor esté al corriente en cualquiera de sus obligaciones con respecto al Contrato de Apertura de Crédito en Cuenta Corriente con Garantía Prendaria y sus modificatorios, o cualquier otro contrato de crédito celebrado con GM Financial,

ii. El préstamo en cuestión esté al corriente y el mismo cumpla con el criterio de pago sostenido en sus últimas 3 amortizaciones inmediatas a la fecha en que se está realizando la reestructura y

iii. El Distribuidor cuenta con las garantías requeridas por GM Financial para la continuidad del crédito".

Al 31 de diciembre de 2016, 2015 y 2014, no existen saldos con antigüedad mayor a 360 días, ya que de acuerdo a las políticas de la Entidad los adeudos son castigados al cumplir 360 días contra la reserva preventiva de riesgos.

Los movimientos de la cartera vencida por los años 2016, 2015 y 2014, se muestran a continuación:

	2016	2015	2014
Saldos al inicio del año	$315,934	$271,192	$189,676
Más (menos):			
Traspaso a cartera vigente	(12,027)	(18,684)	(11,238)
Castigos	(237,479)	(204,323)	(143,380)
Pagos	(39,980)	(28,764)	(18,710)
Traspasos de cartera vigente a vencida	510,593	296,513	254,844
Saldo al final del año	$537,041	$315,934	$271,192

La cartera de crédito se concentra principalmente en los siguientes segmentos:

I. Crédito de Consumo. Otorgamos financiamiento físicas que quieran adquirir unidades nuevas o usadas de la marca General Motors o de otras marcas, mediante un esquema variado de alternativas de financiamiento que buscan cubrir todos los segmentos de mercado.

II. Crédito Comercial. se encuentran todos los financiamientos que otorgamos a través del Plan Piso, de préstamos de capital de trabajo a los distribuidores, personas morales y personas físicas con actividad empresarial.

Por la naturaleza de las operaciones de crédito de consumo no existe un cliente que en lo individual represente una concentración relevante de nuestros ingresos.

En relación con los créditos de mayoreo, ningún distribuidor, persona moral o persona física con actividad empresarial ostenta más del 2% de participación en la cartera vigente a diciembre de 2016, 2015 y 2014, respectivamente.

c. Los intereses generados por tipo de crédito, se integran como sigue:

	2016	2015	2014
Cartera de crédito comercial	$ 943,731	$ 787,318	$ 725,993
Cartera de crédito al consumo	3,647,853	2,360,419	1,734,867
Comisión por apertura de créditos al consumo	248,753	183,661	162,565
Otros ingresos por intereses	72,920	43,241	45,959
Ingresos por intereses	4,913,257	3,374,639	2,669,384
Gastos por intereses	(1,925,489)	(1,025,670)	(818,707)
Margen Financiero	$2,987,768	$2,348,969	$1,850,677

d. Los créditos comerciales incluyen créditos a personas físicas con actividad empresarial y créditos con garantía prendaría otorgados a distribuidores de las armadoras, los cuales tienen vencimientos variables que dependen de los planes de financiamiento otorgados y de la venta final de los vehículos objeto del crédito, causando intereses a tasas de mercado. Al 31 de diciembre de 2016, 2015 y 2014 el saldo por cobrar a dichos distribuidores ascendía a $14,191,781, $11,503,687 y $8,700,651, respectivamente. El remanente corresponde a cartera de menudeo de créditos con garantía prendaría otorgados a otras personas morales o personas físicas con actividad empresarial.

Los créditos al consumo únicamente incluyen créditos otorgados a personas físicas. Sus plazos fluctúan entre uno y 72 meses, y devengan intereses a tasas de mercado.

e. Como resultado de las operaciones de financiamiento a que se refiere la Nota 11, al 31 de diciembre de 2016, 2015 y 2014 existen activos restringidos dentro del rubro de cartera de crédito por un importe de $29,485,555, $21,518,664 y $15,563,143, respectivamente.

f. Durante 2016, 2015 y 2014 la Entidad dedujo cartera de crédito de cuentas irrecuperables por un importe de $296,291, $270,217 y $163,458, respectivamente, y que cumplió con los requisitos establecidos en la Ley del Impuesto Sobre la Renta. Durante 2016, 2015 y 2014, se aplicaron $237,479, $204,323 y $143,380, respectivamente, contra la estimación preventiva derivado de la cancelación de saldos de cartera vencida.

Durante 2016, 2015 y 2014, la Entidad recuperó cartera de crédito previamente castigada por $54,967, $50,783 y $61,896, respectivamente.

7. Estimación preventiva para riesgos crediticios

El movimiento de la estimación preventiva para riesgos crediticios es como sigue:

	2016	2015	2014
Saldo al inicio del año	$ 714,126	$509,777	$378,183
Cargo a resultados del año por constitución de reservas	851,005	481,891	326,466
Aplicación a la estimación por castigos	(391,001)	(277,542)	(194,872)
Saldo al final del año	$1,174,130	$714,126	$509,777

La integración de la estimación preventiva para riesgos crediticios por tipo de cartera es como sigue:

	2016	2015	2014
Cartera de crédito comercial	$ 203,693	$205,390	$113,244
Cartera de crédito al consumo	970,437	508,736	396,533
Saldo al final del año	$1,174,130	$714,126	$509,777

La calificación de la cartera de la Entidad, de acuerdo al grado de riesgo, base para el registro de la estimación preventiva para riesgos crediticios al 31 de diciembre de 2016, 2015 y 2014, se muestra a continuación:

		31 de diciembre de 2016 Reservas preventivas necesarias		
	Importe cartera crediticia	Cartera comercial	Cartera de consumo	Total reservas preventivas
Exceptuada calificada				
Riesgo A-1	$43,717,809	$ 84,112	$ 358,211	$442,323
Riesgo A-2	5,933,297	38,831	54,769	93,600
Riesgo B-1	784,030	4,630	17,568	22,198
Riesgo B-2	1,041,378	15,658	16,305	31,963
Riesgo B-3	494,403	6,143	16,792	22,935
Riesgo C-1	381,042	2,449	23,428	25,877
Riesgo C-2	234,863	2,391	23,252	25,643
Riesgo D	445,610	49,477	71,865	121,342
Riesgo E	602,576	2	388,247	388,249
Total	$53,635,008	$ 203,693	$ 970,437	$1,174,130

		31 de diciembre de 2015 Reservas preventivas necesarias		
	Importe cartera crediticia	Cartera comercial	Cartera de consumo	Total reservas preventivas
Exceptuada calificada				
Riesgo A-1	29,936,260	$ 114,709	$ 192,972	$ 307,681
Riesgo A-2	3,971,624	36,058	13,801	49,859
Riesgo B-1	524,241	3,978	9,663	13,641
Riesgo B-2	259,518	-	11,659	11,659
Riesgo B-3	144,580	-	7,789	7,789
Riesgo C-1	80,895	-	5,572	5,572
Riesgo C-2	116,745	-	12,785	12,785
Riesgo D	347,100	50,645	41,255	91,900
Riesgo E	325,866	-	213,240	213,240
Total	$35,706,829	$ 205,390	$ 508,736	$ 714,126

	31 de diciembre de 2014			
		Reservas preventivas necesarias		
	Importe cartera crediticia	**Cartera comercial**	**Cartera de consumo**	**Total reservas preventivas**
Exceptuada calificada				
Riesgo A-1	$21,653,901	$ 50,372	$ 139,527	$ 189,899
Riesgo A-2	3,089,989	26,461	14,747	41,208
Riesgo B-1	610,025	2,510	15,618	18,128
Riesgo B-2	214,892	-	9,643	9,643
Riesgo B-3	119,076	-	6,424	6,424
Riesgo C-1	63,826	26	4,389	4,389
Riesgo C-2	151,630	5,834	11,643	11,643
Riesgo D	228,090	28,041	30,930	30,930
Riesgo E	252,420	-	163,612	163,612
Total	$26,383,848	$ 113,244	$ 396,533	$ 509,777

Cartera emproblemada - Los créditos comerciales con cualquier probabilidad de que no se podrán recuperar parcialmente o en su totalidad son monitoreados de manera periódica y serán reservados.

En el caso de créditos de consumo se tiene un monitoreo periódico mensual para identificar créditos con problemas de saldos vencidos y de acuerdo a su improbabilidad de pago es reservado según la metodología de cálculo de la reserva preventiva establecida por la CNBV.

Para posibles operaciones inusuales se llevan a cabo monitoreos transaccionales y de sanciones pasando por un proceso con múltiples filtros de revisión (Cumplimiento, áreas operativas con relación a créditos, oficial de cumplimiento y comité) con el objeto de tener un monitoreo completo y evaluar finalmente los créditos que serán reportados al regulador.

La estimación preventiva para riesgos crediticios se determina conforme a los siguientes componentes principales:

Probabilidad de Incumplimiento (% Promedio Ponderado)

	2016	**2015**	**2014**
Consumo	4.25%	3.71%	3.93%
Comercial	2.10%	3.13%	3.33%

Severidad de Perdida (% Promedio Ponderado)

	2016	**2015**	**2014**
Consumo	65.08%	65.08%	65.11%
Comercial	41.25%	41.22%	41.75%

Exposición al Incumplimiento (Monto)

	2016	**2015**	**2014**
Consumo	34,107,177	20,388,093	14,890,621
Comercial	22,779,565	15,597,122	7,966,322

8. Otras cuentas por cobrar

	2016	**2015**	**2014**
Partes relacionadas	$354,096	$229,441	$20,955
Deudores diversos	109,935	54,815	67,019
	$464,031	$284,256	$87,974

9. Mobiliario y equipo, neto

	2016	2015	2014
Equipo de cómputo	$ 62,050	$ 58,064	$54,785
Equipo de oficina	12,297	12,297	8,447
Equipo de transporte	21,151	17,271	14,003
Mejoras a locales arrendados	28,424	28,424	24,976
Inversiones en proceso	9,344	-	-
Automóviles otorgados en arrendamiento operativo	1,415,020	140,828	33,778
	1,548,286	256,884	135,989
Depreciación y amortización acumulada	(265,603)	(109,845)	(80,454)
	$1,282,683	$147,039	$55,535

El monto reconocido en resultados por concepto de depreciación ascendió a $165,455, $35,494 y $21,968 en 2016, 2015 y 2014, respectivamente.

10. Pasivos bursátiles

Durante 2016, la Entidad llevó a cabo emisiones de certificados bursátiles de corto plazo por un monto de $19,417,755 con tasas de interés que fluctuaron entre 3.57% y 6.44%. En el año 2015, la Entidad llevó a cabo emisiones de certificados bursátiles de corto plazo por un monto de $11,650,000 con tasas de interés que fluctuaron entre 3.09% y 3.82%, algunos con vencimiento en enero y febrero de 2016. Por otra parte, durante 2014, la Entidad emitió certificados bursátiles de corto plazo por un monto de $4,850,000 con tasas de rendimiento en un rango de 3.07% a 3.62%, con vencimientos en enero, febrero, julio, agosto y octubre de 2015.

Al 31 de diciembre de 2016, el monto principal de los certificados bursátiles fue de $1,180,000, más interés devengado por pagar de $6,143.

Certificados bursátiles de corto plazo y largo plazo – La Entidad cuenta con un programa de certificados bursátiles de corto y largo plazo con carácter revolvente, el cual fue autorizado por la Comisión Nacional Bancaria y de Valores (CNBV) el 27 de octubre de 2016 hasta por un monto total de $7,000 mil millones de pesos o su equivalente en unidades de inversión. Mientras el Programa continúe vigente, podrán realizarse tantas emisiones de Certificados Bursátiles como sean determinadas por la compañía, siempre y cuando el saldo insoluto de principal de los Certificados Bursátiles en circulación no exceda del monto total autorizado del programa. Adicionalmente, el saldo insoluto de principal de los Certificados Bursátiles de Corto Plazo en circulación no podrá exceder de $3,000 mil millones o su equivalente en UDIs. El programa tiene vigencia de cinco años a partir de la fecha de autorización.

11. Préstamos bancarios y de otros organismos

a. De corto plazo:

	2016	2015	2014
Préstamos quirografarios con instituciones de banca múltiple, garantizados total e incondicionalmente por la Tenedora, los cuales devengan intereses a tasas de mercado basadas en la Tasa de Interés Interbancaria de Equilibrio (TIIE) a 28 o 91 días	$15,295,000	$ 6,050,000	$1,830,000
Intereses devengados por pagar	158,615	77,218	49,868
	15,453,615	6,127,218	1,879,868
Más porción circulante del pasivo a largo plazo	8,440,489	8,861,033	7,160,486
	$23,894,104	$14,988,253	$9,040,354

b. De largo plazo:

	2016	2015	2014
Préstamos no garantizados con instituciones de banca de desarrollo, los cuales devengan intereses a una tasa basada en la TIIE a 28 días más entre 185 puntos base. Durante 2016, 2015 y 2014, las tasas que devengaron estos préstamos fueron del 5.19% y 5.14%, respectivamente.	$2,500,000	$2,500,000	$2,500,000
Préstamo con colateral, garantizado con activos crediticios (véase Nota 6e.), el cual devenga intereses a una tasa basada en la TIIE a 28 días más 154 puntos base. La tasa que devengó este préstamo fue de 4.90% en 2015 y 4.83% en 2014.	3,500,000	2,500,000	2,500,000
Préstamo con colateral, garantizado con activos crediticios (véase Nota 6e.), el cual devenga intereses a una tasa basada en la TIIE a 28 días más 90 puntos base. Durante 2016, 2015 y 2014 la tasa a la que este préstamo devengó intereses fue del 4.33% y 4.20%, respectivamente.	8,497,479	7,514,529	4,715,365
Préstamo garantizado con activos crediticios (véase Nota 6e.), el cual devenga intereses a una tasa basada en la TIIE a 28 días más 90 puntos base. Durante 2016, 2015 y 2014 la tasa a la que este préstamo devengó intereses fue del 4.23% y 4.19%, respectivamente.	5,995,075	5,985,111	5,114,854
Préstamo garantizado con activos crediticios, el cual al cierre del periodo, la tasa que devengó fue del 6.42%.	2,796,713	-	-
Pasivo a largo plazo	23,289,267	18,499,640	14,830,219
Menos - Porción circulante	8,440,489	8,861,035	7,160,486
	$14,848,778	$9,638,605	$7,669,733

El valor contable de los préstamos bancarios de corto plazo a cargo de la Entidad se aproxima a su valor razonable, y no se tienen intenciones de pagarlos anticipadamente. La Entidad está obligada a mantener saldos de efectivo en garantía de algunas operaciones, los cuales se mencionan en la Nota 6. Dicho efectivo genera intereses a favor de la Entidad a una tasa de interés de mercado. Al 31 de diciembre de 2016, 2015 y 2014 dicho efectivo restringido generó ingresos por $51,153, $30,508 y $29,350, respectivamente, los cuales se incluyen en el rubro Otros ingresos de la operación.

Al cierre del periodo, hemos aportado, en calidad de fideicomitentes, cierto porcentaje de nuestra cartera a efecto de celebrar los siguientes contratos de fideicomiso:

Contrato de Fideicomiso Maestro Irrevocable número F/804, celebrado el 24 de septiembre de 2008 entre el Emisor, en su carácter de fideicomitente, Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, en su carácter de fiduciario, y Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, como representante común de los tenedores. En términos generales, en virtud de dicho fideicomiso se implementó un mecanismo para bursatilizar ciertas cuentas por cobrar aportadas al patrimonio de dicho Fideicomiso F/804 por el Emisor.

Contrato de Fideicomiso Irrevocable número F/00251, celebrado el 14 de octubre de 2005 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y CIBanco, S.A., Institución de Banca Múltiple (antes The Bank of New York Mellon, S.A., Institución de Banca Múltiple), como fiduciario. En términos generales, en virtud del Fideicomiso F/00251 se estableció un mecanismo para (i) el financiamiento de ciertos créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, y (ii) la emisión del pagaré pagadero a la orden del fideicomisario en primer lugar, solamente con los recursos del patrimonio del mismo.

Contrato de Fideicomiso Irrevocable número F/242896, celebrado el 31 de agosto de 2007 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria, como fiduciario. Dicho fideicomiso fue modificado en virtud de un convenio de sustitución fiduciaria, de fecha 6 de febrero de 2013 en el cual HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria fue sustituido por Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario como fiduciario del mismo y dicho a fideicomiso le fue reasignado como número de identificación, el F/1380. En virtud de dicho fideicomiso se estableció un mecanismo para que el fideicomisario en primer lugar pudiera invertir en pagarés emitidos por el fiduciario mediante (i) la cesión y aportación de créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, así como de todos los derechos y obligaciones previstos en los contratos de intercambio de tasas de interés, en su caso, por parte del fideicomitente al fiduciario de conformidad con ciertos contratos de cesión correspondientes, y (ii) el fondeo por parte del fideicomisario en primer lugar y la emisión por parte del fiduciario del pagaré pagadero a la orden del fideicomisario en primer lugar, con recurso limitado únicamente al patrimonio del fideicomiso aquí descrito.

Contrato de Fideicomiso Irrevocable número F/2965, celebrado el 31 de marzo de 2016 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y Banco Monex, S.A., Institución de Banca Múltiple, Monex Grupo Financiero, como fiduciario. En términos generales, en virtud del fideicomiso aquí descrito se implementó un mecanismo para proporcionar financiamiento al Emisor y que la misma adquiera ciertos créditos por parte del fideicomisario en primer lugar, en los términos establecidos en dicho fideicomiso.

Manifestamos que para los fideicomisos anteriormente enlistados no es aplicable la consolidación a los activos totales de la Emisora en virtud de que los mismos se mantuvieron dentro de los Estados Financieros de la compañía.

c. Los vencimientos de la porción a largo plazo de este pasivo al 31 de diciembre de 2016, son:

2018	$ 5,880,277
2019	7,174,051
2020	1,695,225
2021	93,955
2022	5,270
	$14,848,778

d. Se han contratado instrumentos financieros derivados para cubrir los riesgos de tasa de interés de algunos de estos préstamos, según se explica en la Nota 12.

e. Al 31 de diciembre de 2016, 2015 y 2014, la Entidad tiene líneas de crédito cuyos montos no dispuestos ascendían a $1,015,734, $2,200,360 y $3,069,782, respectivamente.

f. Los gastos por intereses generados por tipo de operación son como sigue:

	2016	2015	2014
Pasivos bursátiles	$ 76,111	$ 42,462	$ 16,054
Préstamos bancarios y de otros organismos	1,842,950	979,553	799,953
Otros gastos por intereses	6,428	3,655	2,700
Total gastos por intereses:	$(1,925,489)	$(1,025,670)	$ (818,707)
Ingresos por intereses	$ 4,913,257	$ 3,374,639	$2,669,384
Margen financiero	$ 2,987,768	$ 2,348,969	$1,850,677

12. Operaciones con instrumentos financieros derivados

Al cierre de los ejercicios 2016, 2015 y 2014, la Entidad tenía celebrados contratos de derivados para hacer frente a las fluctuaciones en las tasas de interés relacionadas con algunos de los instrumentos de su deuda descritos en la Nota 11. Las operaciones celebradas con fines de cobertura tienen vencimientos entre el año 2017 y 2022.

Las operaciones celebradas por la Entidad con instrumentos financieros derivados corresponden principalmente a contratos de Swaps y Opciones de tasa de interés, ambos tienen como subyacente la tasa TIIE a 28 días. La Entidad reconoce contablemente estas operaciones con instrumentos financieros derivados como de negociación.

Al 31 de diciembre de 2016, 2015 y 2014, los saldos en instrumentos financieros derivados de negociación se integran como se muestra a continuación

	2016		2015		2014	
	Monto nominal	**Posición activa**	**Monto nominal**	**Posición activa**	**Monto nominal**	**Posición activa**
Opciones:						
Opciones de tasas	$ 4,759,363	$ 42,540	$ 8,475,864	$6,976	$4,715,365	$ 3,819
Swaps:						
Swaps de tasas	18,998,238	289,357	1,543,757	2,863	1,583,665	3,657
Total posición de negociación	$23,757,601	$331,897	$10,019,621	$9,839	$6,299,030	$ 7,476

	2016		2015		2014	
	Monto nominal	**Posición activa**	**Monto nominal**	**Posición activa**	**Monto nominal**	**Posición activa**
Swaps:						
Swaps de tasas	$ -	$ -	$ 4,441,352	$4,470	$3,636,674	$ 24,938
Total posición de negociación	$ -	$ -	$ 4,441,352	$4,470	$3,636,674	$ 24,938

El efecto neto de en resultados de estas coberturas al 31 de diciembre de 2016, 2015 y 2014 ascendió a $322,155, $757 y $1,818, respectivamente.

13. Acreedores diversos y otras cuentas por pagar

	2016	2015	2014
Partes relacionadas	$ 9,494,126	$5,144,777	$4,141,213
Deudores diversos	620,268	324,729	187,573
	$10,114,394	$5,469,506	$4,328,786

14. Administración de riesgos financieros (No auditado)

Las actividades que realiza la Entidad la exponen a una diversidad de riesgos financieros que incluyen: el riesgo de mercado (que incluye el riesgo cambiario, el de las tasas de interés y el de precios), el riesgo crediticio y el riesgo de liquidez. La Entidad busca minimizar los efectos negativos potenciales de estos riesgos en su desempeño financiero a través de un programa general de administración de riesgos. La Entidad utiliza instrumentos financieros derivados para cubrir algunas exposiciones a los riesgos financieros alojados en el balance general (activos y pasivos reconocidos).

Estos instrumentos financieros son analizados por dos áreas destinadas al seguimiento y comparación de los valores razonables, el área de Tesorería Operacional con base en Fort Worth, Texas, Estados Unidos de Norte América, quienes fungen como la parte responsable de la ejecución de las transacciones y valuación de precios a través de un de un proveedor Internacional, y el área de Tesorería de Operaciones

Internacionales basada en Charlotte, Carolina del Norte, Estados Unidos de Norte América, quienes se encargan de las supervisión e integridad de información. Periódicamente, se informa al Consejo de Administración respecto de la realización de las operaciones con instrumentos financieros derivados, lo cual consta en los estados financieros que se aprueban en las Sesiones de Consejo.

15. Transacciones y saldos con partes relacionadas

a. Las transacciones con partes relacionadas efectuadas en el curso normal de sus operaciones, fueron como sigue:

	2016	2015	2014
Controladora:			
Gastos por servicios administrativos corporativos	$ 305,893	$ 241,845	$ 164,204
Comisión sobre línea de crédito corporativa	73,298	76,041	76,042
Reembolso de gastos corporativos	14,628	6,278	2,956
Afiliadas:			
Gastos por servicios administrativos	$ 327,850	$ 270,905	$ 236,900
Ingresos por intereses	614,326	156,019	220,241
Comisiones cobradas por seguro financiado	126,286	104,230	81,278
Comisión de apertura en volumen cartera consumo	185,400	67,371	9,018
Gasto por intereses	25,992	4,678	1,701

b. Los saldos con partes relacionadas al 31 de diciembre, se integran como sigue:

	2016	2015	2014
Cuentas por cobrar:			
General Motors de México, S. de R.L. de C.V.	$ 354,096	$ 229,441	$ 20,955
Cuentas por pagar:			
General Motors de México, S. de R.L. de C.V.	$5,754,238	$5,040,337	$4,116,246
General Motors Financial Company Inc.	(18)	4,246	24,977
GM Financial International B.V.	3,639,609	-	-
Servicios GMAC, S.A. de C.V.	100,297	100,194	-
	$9,494,126	$5,144,777	$4,141,223

El saldo de las cuentas por pagar a GMM representa los vehículos facturados por GMM al amparo de los contratos de apertura de crédito en cuenta corriente con garantía prendaría firmado con los distribuidores autorizados por GMM. Derivado al contrato con GMM firmado en 2015, los vehículos que adquieran los concesionarios serán liquidados por la Entidad a GMM el trigésimo día natural posterior a la fecha en que dichos vehículos hayan sido facturados, sin cobrar intereses por dicho periodo.

La Entidad cuenta con una línea de crédito intercompañías de hasta $10 mil millones de pesos. El saldo por pagar con GM Financial International B.V. al 31 de diciembre de 2016 corresponde a dos disposiciones de crédito de fechas 16 y 23 de diciembre de 2016 por $1,773,930 y $1,865,679, respectivamente, las cuales son sujetas a intereses a una tasa de 6.18% y 6.99%, respectivamente.

Al 31 de diciembre de 2016, existen 2 miembros del consejo de administración, los cuales tienen un crédito de consumo por un saldo insoluto a esa fecha de $508, a diciembre de 2015 existían 3 miembros del consejo de administración con créditos por un valor de $391 y al cierre de 2014 no existían miembros del consejo de administración con crédito de consumo.

16. Créditos diferidos

	2016	2015	2014
Comisiones por colocación de pólizas de seguros	$ 576,424	$392,337	$333,736
Comisiones por apertura de créditos otorgados	749,009	266,735	200,159
Incentivos de armadoras y distribuidores	1,564,633	322,919	108,588
	$2,890,066	$981,991	$642,483

Las comisiones por apertura y los incentivos se amortizan en la vida de los contratos de crédito y las comisiones por colocación de pólizas de seguro, en la vida de las coberturas de las mismas. El plazo promedio ponderado en el que se amortizan estos créditos diferidos es equivalente a 47.7 meses.

El monto reconocido en ingresos por concepto de comisiones por apertura de créditos otorgados ascendió a $248,753, $183,661 y $162,565 en 2016, 2015 y 2014, respectivamente.

El monto reconocido en resultados por concepto de comisiones cobradas las cuales se derivan principalmente la intermediación de seguros en créditos automotrices ascendió a $521,319, $425,780 y $418,470 en 2016, 2015 y 2014, respectivamente.

17. Capital contable

a. ***Capital social*** - El capital social de la Entidad es variable. El capital mínimo fijo sin derecho a retiro es de $50,000, representado por 1,000 acciones ordinarias, nominativas sin expresión de valor nominal clase I, totalmente suscritas y pagadas. La parte variable del capital social será limitada y estará representada por acciones nominativas, sin expresión de valor nominal, clase II, cuyas características determine en su oportunidad la Asamblea General de accionistas que apruebe su emisión.

	Acciones	Clase
GM Financial Mexico Holdings LLC	999	I
General Motors Financial Company Inc.	1	I
Total	1,000	

b. ***Reservas de capital*** - Al cierre del ejercicio 2016, 2015 y 2014, la Entidad tiene constituida una reserva legal superior al 20% de capital social mínimo requerido, la cual asciende a $25,916.

c. ***Dividendos*** - Podrán distribuirse dividendos de acuerdo a las disposiciones legales, regulatorias y a los estatutos sociales.

La distribución del capital contable, excepto por los importes actualizados del capital social aportado y de las utilidades retenidas fiscales, causará el impuesto sobre la renta a cargo de la Entidad a la tasa vigente al momento de la distribución. El impuesto que se pague por dicha distribución, se podrá acreditar contra el impuesto sobre la renta del ejercicio en el que se pague el impuesto sobre dividendos y en los dos ejercicios inmediatos siguientes, contra el impuesto del ejercicio y los pagos provisionales de los mismos.

Los dividendos pagados provenientes de utilidades generadas a partir del 1 de enero de 2014 a personas físicas residentes en México y a residentes en el extranjero pudieran estar sujetos a un ISR adicional de hasta el 10%, el cual deberá ser retenido por la Entidad.

A continuación se muestran las utilidades acumuladas que pudieran estar sujetas a retención de hasta el 10% de ISR sobre dividendos distribuidos:

Año	Importe susceptible de retención	Importe no sujeto a retención
Utilidades acumuladas hasta el 31 de diciembre de 2014	$ -	$5,325,011
Utilidades acumuladas hasta el 31 de diciembre de 2015	1,481,826	-
Utilidad del ejercicio 2016	1,062,872	-
Total	$2,544,698	$5,325,011

El 23 de junio de 2015, la Asamblea General Ordinaria de Accionistas decretó un dividendo en efectivo por un importe de $ 600 millones de pesos.

d. ***Cuentas fiscales*** - Los saldos de las cuentas fiscales del capital contable al 31 de diciembre, son:

	2016	2015	2014
Cuenta de capital de aportación	$ 119,818	$ 115,923	$ 113,505
Cuenta de utilidad fiscal neta	10,016,698	7,822,759	7,348,725
Total	$10,136,516	$7,938,682	$7,462,230

18. Impuestos a la utilidad

La Entidad está sujeta al ISR, conforme a la Ley de ISR la tasa para 2016 y 2015 fue del 30% y continuará al 30% para años posteriores..

Respecto al reconocimiento contable de los temas incluidos en la Reforma Fiscal 2014, que están relacionados con los impuestos a la utilidad, el CINIF emitió la INIF 20 efectos contables de la Reforma Fiscal 2014, con vigencia a partir de diciembre 2013. Dado que la Compañía ha sido contribuyente de ISR los temas incluidos en la INIF mencionada no le son aplicables

Al 31 de diciembre de 2016, 2015 y 2014, los conceptos que integran el saldo de ISR diferido activo, son los siguientes:

	2016	2015	2014
Diferencia temporal			
Estimación preventiva para riesgos crediticios	$352,239	$214,238	$152,933
Cuentas incobrables pendientes de deducir	57,454	46,984	54,876
Incentivos cobrados no devengados	421,049	93,432	14,997
Comisiones cobradas y pagadas no devengadas	118,412	20,230	29,926
Arrendamiento Operativo	24,273	2,879	
Provisión de intereses moratorios	(6,965)	(3,556)	1,372
Provisiones de gastos	(5,025)	(5,912)	(12,307)
Activo fijo	5,298	4,716	(1,163)
Derivados	(99,569)	(1,611)	5,239
	$867,166	$371,400	$245,873

La conciliación entre la tasa legal y efectiva de impuestos al 31 de diciembre de 2016, 2015 y 2014, se muestra a continuación:

	2016	2015	2014
	%	%	%
Tasa legal	30	30	30
Ajuste anual por inflación deducible	(6)	(4)	(10)
Tasa efectiva	24	26	20

19. Saldos en moneda extranjera

La posición en moneda extranjera al 31 de diciembre de 2016, 2015 y 2014, es como sigue:

	Saldos en miles de dólares americanos			Equivalente en miles de pesos		
	2016	2015	2014	2016	2015	2014
Activos (pasivos) monetarios	$ 0.9	$(246)	$(1,694)	$18	$(4,246)	$(24,977)

Los tipos de cambio utilizados por la Entidad para valuar sus activos y pasivos en moneda extranjera son emitidos por el Banco de México para el 31 de diciembre de 2016, 2015 y 2014, publicado en el Diario Oficial de la Federación el 29 de diciembre de 2016, el 30 de diciembre de 2015 y el 30 de diciembre de 2014, los cuales fueron de $20.7314, $17.2065 y $14.718, respectivamente, por dólar americano. Al 27 de febrero de 2016, fecha de emisión de los estados financieros, la posición en moneda extranjera (no auditada) y el tipo de cambio, no han cambiado significativamente.

20. Contingencias

Pueden existir contingencias por diferencias de impuestos que pudieran derivarse de la eventual revisión de las declaraciones de impuestos presentadas por la Entidad ante las autoridades fiscales, y de diferentes criterios en la interpretación de las disposiciones legales entre la Entidad y las autoridades hacendarias.

La Entidad al igual que sus activos no está sujetos, a acción alguna de tipo legal que no sean los de rutina y propios de su actividad.

21. Compromisos

La Entidad arrienda el edificio donde están ubicadas sus oficinas; los gastos por renta ascendieron a $8,925 en 2016, $6,867 en 2015 y $6,620 en 2014; el contrato de arrendamiento es por un plazo forzoso de 5 años y establece los siguientes pagos mínimos:

Años	Importe
2017	$13,259
2018	13,259
2019	11,049
	$37,567

22. Nuevos pronunciamientos contables

El 23 de junio de 2014 se publicó la Resolución que Modifica las Disposiciones de Carácter General Aplicables a las Instituciones de Crédito, publicada en el Diario Oficial de la Federación el 19 de mayo de 2014, modificada mediante resoluciones publicadas en dicho órgano de difusión el 3 de julio de 2014, 9 de enero y 5 de febrero de 2015, indicando que dichas modificaciones entrarán en vigor el 1° de enero de 2016. Las modificaciones se refieren principalmente a precisiones sobre algunos conceptos del Anexo 33 de la Circular Única de Bancos, más no causarán cambios significativos en la contabilidad de la Entidad.

Al 31 de diciembre de 2016, el CINIF ha promulgado las siguientes NIF que pudiesen tener un impacto en los estados financieros de la Sociedad.

Mejoras a las NIF 2017 - Se emitieron las siguientes mejoras con entrada en vigor a partir del 1 de enero de 2017, que generan cambios contables:

NIF B-7, Adquisiciones de negocios - Se modificó la adopción de manera prospectiva de las Mejoras a las NIF 2016 que establecen que no deben ser parte del alcance de esa NIF las adquisiciones bajo control común.

NIF C-4, Inventarios y NIF C-6, Propiedades, planta y equipo - Requieren revelar el importe de los inventarios o maquinaria y equipo recibidos y mantenidos temporalmente en consignación, administración, para maquila o para demostración y sobre los cuales se tiene el compromiso de devolverlos.

A la fecha de emisión de estos estados financieros, la Entidad está en proceso de determinar los efectos de estas nuevas normas en su información financiera.

23. Autorización de la emisión de los estados financieros

Los estados financieros y sus notas adjuntas, fueron autorizados para su emisión el 27 de febrero de 2017, por el Sr. Frederick George Livingood Director General; el C.P. Christiaan Salvador Glastra Tejeda, Director de Finanzas; el C.P. Armando Valdés Hernández, Contralor; y la C.P. Abigail Muñiz, Auditor Interno, y están sujetos a la aprobación de la asamblea ordinaria de accionistas de la Entidad, quien puede decidir su modificación de acuerdo con lo dispuesto en la Ley General de Entidades Mercantiles.

* * * * *

Declaramos bajo protesta de decir verdad lo siguiente:

I. Hemos revisado la información presentada en los estados financieros básicos consolidados dictaminados a que hacen referencia las presentes disposiciones.

II. Los citados estados financieros básicos consolidados dictaminados no contienen información sobre hechos falsos, no se han omitido algún hecho o evento relevante, que sea de su conocimiento, que pudiera resultar necesario para su correcta interpretación a la luz de las disposiciones bajo las cuales fueron preparados.

III. Los estados financieros básicos consolidados dictaminados antes mencionados y la información adicional a éstos, presentan razonablemente en todos los aspectos importantes la situación financiera y los resultados de las operaciones de la Institución.

IV. Se han establecido y mantenido controles internos, así como procedimientos relativos a la revelación de información relevante.

V. Se han diseñado controles internos con el objetivo de asegurar que los aspectos importantes y la información relacionada con la Institución, su controladora, subsidiarias, afiliadas o asociadas se hagan del conocimiento de la administración.

VI. Se han evaluado la eficacia de los controles internos con 90 días de anticipación a la fecha del dictamen financiero.

VII. Se han revelado a los auditores externos y al Comité de Auditoría mediante comunicaciones oportunas todas las deficiencias detectadas en el diseño y operación del control interno que pudieran afectar de manera adversa, entre otras, a la función de registro, proceso y reporte de la información financiera.

VIII. Se han revelado a los auditores externos y al Comité de Auditoría cualquier presunto fraude o irregularidad, que sea de su conocimiento e involucre a la administración o a cualquier otro empleado que desempeñe un papel importante, relacionado con los controles internos.

Atentamente

Frederick George Livingood
Director General

Christiaan Salvador Glastra Tejeda
Director de Finanzas

Armando Valdés Hernández
Contralor

Abigail Cecilia Muñiz González
Auditor Interno

GM FINANCIAL DE MÉXICO, S.A. DE C. V.
SOCIEDAD FINANCIERA DE OBJETO MULTIPLE, E.R.
(Millones de pesos al 31 de diciembre de 2016)

INFORME DE COMENTARIOS Y ANALISIS DE LA ADMINISTRACION

A) RESULTADOS DE OPERACIÓN

Ingresos por intereses

Los rendimientos generados por financiamientos otorgados a mayoreo y menudeo, se describen y analizan a continuación:

	Periodos		Variaciones	
Conceptos	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Ingresos por intereses comercial	$787	$943	$156	19.82%
Ingresos por intereses al consumo	$2,361	$3,648	$1,287	54.51%
Otros ingresos por intereses	$227	$322	$95	41.85%
Ingresos por intereses	$3,375	$4,913	$1,538	45.57%

El aumento del 45.57% en 2016 en relación al ejercicio 2015 se debe principalmente a que los ingresos por intereses al consumo tuvieron un aumento del 54.51% en gran medida por el incremento de volumen de unidades promedio durante el 2016.

Gastos por intereses

Los gastos por intereses por préstamos de bancos y de otros organismos, se comparan y analizan a continuación:

	Periodos		Variaciones	
Conceptos	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Gastos por intereses	$1,026	$1,925	$899	87.62%
Gastos por intereses	$1,026	$1,925	$899	87.62%

Los gastos por intereses mostraron un incremento neto del 87.62% en 2016 con respecto al ejercicio del 2015. Esto se debe principalmente al incremento del balance de la deuda con respecto al mismo periodo de 2015 para soportar el crecimiento de activos, principalmente de crédito al consumo.

Resultado por posición monetaria

El resultado por posición monetaria representa el efecto de la inflación, medido en términos de la UDI, sobre el neto de activos y pasivos monetarios al inicio de cada mes. La pérdida se genera por tener más activos que pasivos. A partir de 2008 la NIF B-10 de los efectos de la inflación en la información financiera, establece que ante el cambio de un entorno económico inflacionario a uno no inflacionario, no deben reconocerse los efectos de la inflación del periodo.

Margen Financiero

El margen financiero en términos nominales presenta una incremento neto del 27.20%, derivado principalmente de un incremento de los ingresos por intereses de $1,538 millones combinado con un incremento en los gastos por intereses de $899 millones.

	Periodos		Variaciones	
Conceptos	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Ingresos por Intereses	$3,375	$4,913	$1,538	45.57%
Gastos por Intereses	$1,026	$1,925	$899	87.62%
Margen Financiero	$2,349	$2,988	$639	27.20%

Estimación Preventiva para Riesgos Crediticios

La estimación preventiva se compara a continuación:

	Periodos		Variación	
Conceptos	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Reserva para Riesgos Crediticios	$482	$851	$369	76.56%
Reserva para Riesgos Crediticios	$482	$851	$369	76.56%

La estimación preventiva para riesgos crediticios presenta un incremento neto del 76.56% de los cuales $350 millones corresponden a un incremento en reserva de la cartera de consumo con respecto al año anterior, un decremento en la reserva de cartera comercial de $94 millones con respecto al año anterior y un incremento en castigos de cartera de consumo en $113 millones con respecto al año anterior.

A continuación se muestran los resultados de la calificación de la cartera crediticia al cierre del periodo:

CALIFICACIÓN DE LA CARTERA CREDITICIA AL 31 DE DICIEMBRE DE 2016					
	IMPORTE CARTERA CREDITICA	RESERVAS PREVENTIVAS NECESARIAS			
		CARTERA COMERCIAL	CARTERA DE CONSUMO	CARTERA HIPOTECARIA DE VIVIENDA	TOTAL RESERVAS PREVENTIVAS
EXCEPTUADA CALIFICADA	$ -				
Riesgo A	49,651	$ 123	$ 413	$ -	$ 536
Riesgo B	2,321	26	51	0	77
Riesgo C	616	5	47	0	52
Riesgo D	446	49	72	0	121
Riesgo E	603	-	388	0	388
TOTAL	$ 53,637	$ 203	$ 971	$ -	$ 1,174
Menos:					
RESERVAS CONSTITUIDAS					$ 1,174
EXCESO					$ -

Comisiones y tarifas

Las comisiones y tarifas se describen y comparan a continuación:

Conceptos	Periodos		Variaciones	
	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Comisiones y Tarifas cobradas	$426	$521	$95	22.30%
Comisiones y Tarifas Pagadas	$549	$762	$213	38.80%
Comisiones y tarifas netas	($123)	($241)	($118)	95.93%

Las comisiones cobradas presentan incremento de 22.30% en el ejercicio de 2016 con respecto al 2015. En tanto las comisiones pagadas tuvieron un incremento al cuarto trimestre de 2016 de $213 millones respecto al 2015 lo cual representa un 38.80%, esto debido al incremento en la cartera de consumo.

Gastos de Administración

La integración y análisis de los gastos de administración se muestran a continuación:

Conceptos	Periodos 31-dic-15	31-dic-16	Variacion Dec 15 / Dec 16	
Remuneraciones	$250	$279	$29	11.60%
Honorarios	$249	$388	$139	55.82%
Rentas	$14	$15	$1	7.14%
Gastos de Promoción	$16	$19	$3	18.75%
Impuestos y derechos diversos	$12	$33	$21	100.00%
Otros gastos	$262	$279	$17	6.49%
Depreciación	$15	$14	($1)	-6.67%
Gastos de administración	$818	$1,027	$209	25.55%

Los gastos de administración reflejan un incremento de 25.55% en el año 2016 en relación con el año 2015, este aumento es atribuido principalmente a mayor cargo corporativo e incremento en remuneraciones.

Impuestos Causados y Diferidos

La comparación y análisis de los impuestos causados se muestran en la siguiente tabla:

Conceptos	Periodos 31-dic-15	31-dic-16	Variacion Dec 15 / Dec 16	
Impuesto Causado	$399	$824	$425	106.52%
Impuesto Diferido	($126)	($496)	($370)	293.65%
Impuestos	$273	$328	$55	20.15%

El impuesto a la utilidad causado se determina mediante la aplicación de la legislación fiscal vigente sobre los ingresos gravables y deducciones autorizadas del ejercicio. El impuesto anual determinado se presenta como un pasivo a corto plazo neto de los anticipos efectuados durante el año, o como un activo en el caso de que los anticipos sean superiores al impuesto anual determinado.

El impuesto a la utilidad diferido se determina aplicando el método de activos y pasivos. Bajo este método, a todas las diferencias que surgen entre los valores contables y fiscales de los activos y pasivos, se les aplica la tasa del impuesto sobre la renta (ISR), vigente a la fecha de los estados financieros, o bien, aquellas tasas aprobadas a esa fecha y que estarán vigentes al momento en que se estima que los activos y pasivos por impuesto a la utilidad diferido se recuperarán o se liquidarán. La Compañía evalúa periódicamente la recuperabilidad de los activos por impuesto diferido, creando en su caso, una estimación sobre aquellos montos en los que no existe una alta probabilidad de recuperación.

El impuesto causado y diferido es reconocido como un gasto en los resultados del ejercicio, excepto cuando haya surgido de una transacción o suceso que se reconoce fuera del resultado del ejercicio como otro resultado integral o una partida reconocida directamente en el capital contable.

De acuerdo con la regulación vigente, se debe pagar Impuesto Sobre la Renta (ISR).

B) SITUACION FINANCIERA, LIQUIDEZ Y RECURSOS DE CAPITAL
(Cifras en millones de pesos)

Los principales requerimientos de liquidez y recursos de capital de GM Financial de México son para el otorgamiento de créditos para la adquisición de vehículos y otros productos a la red de Concesionarios de GMM y a otros distribuidores de otras armadoras que tengan firmado un contrato de Plan Piso con GM Financial de México, así como a cualquier persona física o moral que desee adquirir un automóvil nuevo o usado. Las fuentes de liquidez de GM Financial de México, además de las inherentes al negocio, están conformadas por líneas de crédito revolventes con bancos con presencia en el territorio nacional, tanto mexicanos como extranjeros, a corto y largo plazo, Certificados Bursátiles de Corto Plazo, Certificados Bursátiles estructurados bajo un fideicomiso, así como la monetización de una parte de la cartera de crédito:

a. De corto plazo

Préstamos quirografarios con instituciones de banca múltiple, algunos de los cuales, pueden estar garantizados total e incondicionalmente por la Tenedora, los cuales devengan intereses a tasas de mercado basadas en la Tasa de Interés Interbancaria de Equilibrio (TIIE) a 28 o 91 días.	$15,295
Emisiones de Certificados Bursátiles de Corto Plazo	1,180
Intereses devengados por pagar	165
	16,640
Más porción circulante del pasivo a largo plazo	8,440
	$25,080

b. De largo plazo

Préstamos no garantizados con instituciones de banca de desarrollo, los cuales devengan intereses a una tasa basada en la Tasa de Interés Interbancaria de Equilibrio (TIIE) a 28 días más 185 puntos base. Al cierre del periodo, las tasas de interés promedio devengada fue del 7.45%.	2,500
Préstamo con colateral, garantizado con activos crediticios, el cual devenga intereses a una tasa basada en la TIIE a 28 días más un promedio de 129 puntos base. Al cierre del periodo la tasa de interés promedio que devengó este préstamo fue del 6.72%.	3,500

Préstamo con colateral, garantizado con activos crediticios, el cual devenga intereses a una tasa basada en la TIIE a 28 días más 95 puntos base. Al cierre del periodo, la tasa que devengó este préstamo fue del 6.49%.	8,497
Préstamo garantizado con activos crediticios, el cual al cierre del periodo, la tasa que devengó fue del 6.42%	2,796
Pasivo a largo plazo	23,288
Menos - Porción circulante	8,440
	$14,848

El valor contable de los préstamos bancarios de corto plazo a cargo de la Compañía se aproxima a su valor razonable, y no se tienen intenciones de pagarlos anticipadamente. En relación a algunos préstamos de largo plazo con colateral, la Compañía puede estar obligada a mantener saldos de efectivo en garantía de estas operaciones. Dicho efectivo genera intereses a favor de la Compañía a una tasa de interés de mercado. Al cierre del periodo, dicho efectivo restringido generó ingresos por $51 millones los cuales se incluyen en el rubro Otros ingresos de la operación.

c. Los vencimientos de la porción a largo plazo de este pasivo al 31 de diciembre de 2016, son:

2018	5,880
2019	7,174
2020	1,695
2021	94
2022	5
	$14,848

Se han contratado instrumentos financieros derivados para cubrir los riesgos de tasa de interés de algunos de estos préstamos.

Al cierre del periodo la Compañía mantiene una capacidad disponible, aun no dispuesta, tanto en sus líneas de crédito revolvente como para monetización de cartera, por un monto de $1,016.

Al cierre del periodo, hemos aportado, en calidad de fideicomitentes, cierto porcentaje de nuestra cartera a efecto de celebrar los siguientes contratos de fideicomiso:

(i) Contrato de Fideicomiso Maestro Irrevocable número F/804, celebrado el 24 de septiembre de 2008 entre el Emisor, en su carácter de fideicomitente, Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario, en su carácter de fiduciario, y Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, como representante común de los tenedores. En términos generales, en virtud de dicho fideicomiso se implementó un mecanismo para bursatilizar ciertas cuentas por cobrar aportadas al patrimonio de dicho Fideicomiso F/804 por el Emisor.

(ii) Contrato de Fideicomiso Irrevocable número F/00251, celebrado el 14 de octubre de 2005 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y CIBanco, S.A., Institución de Banca Múltiple (antes The Bank of New York Mellon, S.A., Institución de Banca Múltiple), como fiduciario. En términos generales, en virtud del Fideicomiso F/00251 se estableció un mecanismo para (i) el financiamiento de ciertos créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, y (ii) la emisión del pagaré pagadero a la orden del fideicomisario en primer lugar, solamente con los recursos del patrimonio del mismo.

(iii) Contrato de Fideicomiso Irrevocable número F/242896, celebrado el 31 de agosto de 2007 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria, como fiduciario. Dicho fideicomiso fue modificado en virtud de un convenio de sustitución fiduciaria, de fecha 6 de febrero de 2013 en el cual HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria fue sustituido por Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario como fiduciario del mismo y dicho a fideicomiso le fue reasignado como número de identificación, el F/1380. En virtud de dicho fideicomiso se estableció un mecanismo para que el fideicomisario en primer lugar pudiera invertir en pagarés emitidos por el fiduciario mediante (i) la cesión y aportación de créditos cedidos por el Emisor al patrimonio de dicho fideicomiso, así como de todos los derechos y obligaciones previstos en los contratos de intercambio de tasas de interés, en su caso, por parte del fideicomitente al fiduciario de conformidad con ciertos contratos de cesión correspondientes, y (ii) el fondeo por parte del fideicomisario en primer lugar y la emisión por parte del fiduciario del pagaré pagadero a la orden del fideicomisario en primer lugar, con recurso limitado únicamente al patrimonio del fideicomiso aquí descrito.

(iv) Contrato de Fideicomiso Irrevocable número F/2965, celebrado el 31 de marzo de 2016 entre el Emisor, en su carácter de fideicomitente y fideicomisario en segundo lugar, y Banco Monex, S.A., Institución de Banca Múltiple, Monex Grupo Financiero, como fiduciario. En términos generales, en virtud del fideicomiso aquí descrito se implementó un mecanismo para proporcionar financiamiento al Emisor y que la misma adquiera ciertos créditos por parte del fideicomisario en primer lugar, en los términos establecidos en dicho fideicomiso.

Manifestamos que para los fideicomisos anteriormente enlistados no es aplicable la consolidación a los activos totales de la Emisora en virtud de que los mismos se mantuvieron dentro de los Estados Financieros de la compañía.

ENDEUDAMIENTO Y PERFIL DE DEUDA CONTRATADA

Los créditos contratados por GM Financial de México comprenden dos tipos de pasivos: a corto y a largo plazo. Los pasivos con un plazo de 1 a 360 días se clasifican como deuda a corto plazo, en tanto que los pasivos a largo plazo son aquellos que exceden este plazo. Para este análisis los pasivos a corto plazo a cada una de las fechas indicadas incluyen la parte circulante de la deuda a largo plazo.

	Periodos		Variación	
Conceptos	31-dic-15	31-dic-16	Dec 15 / Dec 16	
Corto plazo	$14,988	$23,894	$8,906	59.42%
Largo plazo	$9,639	$14,849	$5,210	54.05%
Pasivos/Deuda	$24,627	$38,743	$14,116	57.32%

TESORERÍA

El efectivo con que cuenta GM Financial de México es invertido en el mercado financiero en instrumentos de deuda de mínimo riesgo y plazos dentro de lo establecido en sus políticas y de acuerdo a sus requerimientos de liquidez.

A continuación se enlistan las principales políticas del departamento de Tesorería GM Financial de México:

El fondeo diario, así como todas las actividades del departamento de Tesorería, son supervisados constantemente por la Tesorería de Operaciones Internacionales (IO) en Charlotte, North Carolina y Detroit, Michigan en los Estados Unidos de Norteamérica.

En conjunto, la Compañía y GMF IO, establecen límites de endeudamiento generales, con cada uno de los acreedores con quienes puede tener firmado un contrato y/o título de crédito, de acuerdo a la relación comercial que se mantiene con cada uno de ellos en México de igual forma como establecen en cualquier otro país en los que General Motors Financial Company Inc. opera. Todas las líneas, inversiones y productos financieros contratados por la Compañía son aprobadas en conjunto.

Con la finalidad de fortalecer la liquidez de la compañía, se mantiene una reserva de efectivo, misma que se invierte exclusivamente a la vista con instituciones con las que se mantiene un contrato de inversión.

La Compañía y GMF IO, realizan periódicamente un análisis del plazo de los pasivos, con la finalidad de evitar un descalce con los activos. De igual forma se ha establecido un marco de diversas métricas de liquidez con la finalidad de monitorear de forma constante que el desempeño de indicadores como concentración de pasivos, diversificación de fuentes de fondeo y liquidez, entre otros, se mantenga siempre en los niveles óptimos.

CRÉDITOS Y ADEUDOS FISCALES, INVERSIONES EN CAPITAL, INVESTIGACIÓN Y DESARROLLO DE PRODUCTOS

GM Financial de México (i) no presenta créditos o adeudos fiscales pendientes de liquidar, (ii) tampoco mantiene inversiones relevantes en capital, y (iii) no ha realizado inversiones en proyectos de investigación y desarrollo de productos.

C) DESCRIPCIÓN DEL SISTEMA DE CONTROL INTERNO

Las políticas de General Motors Financial Company Inc. y los controles internos de cada departamento están diseñados para asegurar el cumplimiento de las regulaciones aplicables en cada país en donde opera.

GM Financial de México cuenta con un departamento de control interno, el cual tiene a su cargo vigilar, a través de pruebas aleatorias, un buen funcionamiento en cuestión de procesos operativos y elaboración de Estados Financieros con el fin de obtener una certeza razonable en cuanto al ambiente de control que prevalece en la misma.

Por otro lado, GM Financial de México cuenta con los procedimientos y manuales que describen la autoridad, responsabilidad, así como métodos para supervisar y dar cumplimiento a las políticas y procedimientos, incluyendo la función de auditoría interna.

Adicionalmente, GMF cuenta con el soporte de auditores externos y auditores internos corporativos de GMF a nivel internacional, que validan una seguridad razonable a los controles internos de la compañía.

"Los suscritos manifestamos bajo protesta de decir verdad que, en el ámbito de nuestras respectivas funciones, preparamos la información relativa a la Institución contenida en el presente reporte anual, la cual a nuestro leal saber y entender, refleja razonablemente su situación"

Atentamente

Frederick George Livingood
Director General

Christiaan Salvador Glastra Tejeda
Director de Finanzas

Armando Valdés Hernández
Contralor

Abigail Cecilia Muñiz González
Auditor Interno

Al 31 de diciembre de 2016 nuestro Consejo de Administración se encuentra integrado de la siguiente forma:

Propietarios	Suplentes
1. Frederick George Livingood	1. Miguel Darío Plazas Vega
2. Fernando Ricardo Rodríguez Treviño	2. Roberto Salgado Razo
3. Christiaan Salvador Glastra Tejeda	3. Armando Valdés Hernández
4. Ageu Monteiro de Almeida Junior	4. Julio César Villarreal Villarreal
5. Alberto Díaz Leal Mendez	5. Liliana Ibarra Baca

A continuación se presenta el perfil profesional y experiencia laboral de cada uno de los miembros del consejo de administración:

Frederick George Livingood nació en Maryland, Estados Unidos el 15 noviembre de 1959 y es graduado de Salisbury State University en Administración de Empresas. En GM Financial cuenta con una trayectoria de más de 34 años, desempeñando diferentes posiciones en diversos países incluyendo Argentina, Europa y China. Actualmente ocupa el cargo de Director General y Presidente del Consejo de Administración de GM Financial México, posición que asumió el 1 de Agosto de 2016, también tiene bajo su cargo las operaciones de Colombia, Chile y Perú"

Fernando Ricardo Rodríguez Treviño Nacido en la Ciudad de México en 1969, se desempeña actualmente como Director de Operaciones de nuestra empresa, estando a cargo de las áreas de crédito comercial y crédito de consumo desde enero de 2014. El señor Rodríguez ingresó a nuestra empresa hace 20 años y ha ocupado distintos puestos directivos en México, Brasil y Estados Unidos. Cuenta con el título de Contador Público y estudios de Maestría en Dirección Internacional, otorgado por el Instituto Tecnológico Autónomo de México.

Christiaan Salvador Glastra Tejeda. Nacido en Guelph, Canadá en 1971, se desempeña como Director de Finanzas de nuestra empresa, cargo que ha desempeñado durante 6 años cuando ingreso a la compañía. El señor Glastra cuenta con 20 años de experiencia en la industria de financiamiento automotriz trabajando para diversas marcas y ocupando distintos puestos en México, Estados Unidos y Europa. Cuenta con el grado de Licenciado en Contaduría Pública, otorgado por la Universidad Iberoamericana.

Ageu Monteiro de Almeida Junior. Nació en Ceará, Brasil en 1967, se desempeña actualmente como Director de Operaciones y miembro del Consejo de Administración de nuestra empresa, cargo que ha desempeñado desde 2013. Dentro de sus responsabilidades se encuentran los procesos operacionales para otros países de Latinoamérica. El señor Ageu forma parte de nuestro equipo desde hace 26 años, ocupando diversos puestos directivos en Brasil y México. Cuenta con post-grado en Administración de la Calidad en Servicios, otorgado por la universidad Fundação Getulio Vargas de Brasil.

Alberto Díaz Leal Méndez Nacido en la Ciudad de Mexico en 1984, se desempeña como Director de Riesgo Consumo en nuestra empresa desde marzo del 2016. El señor Díaz Leal comenzó a trabajar para GM Financial en marzo del 2012. Inicialmente ocupó el puesto de Senior Risk Policy Manager y después, en el área de Operaciones estuvo a cargo de Cobranza y Adquisiciones para Alemania, Suiza y Austria. Trabajó en el departamento de Riesgo de Citibank España y Alemania durante 5 años. Cuenta con el título de Lic. en Negocios Internacionales por la Universidad ESEI en Barcelona, España y realizó una maestría en Finanzas en la Universidad de Nottingham Business School en el Reino Unido

Ricardo Beltrán García

Contador Público Certificado

Av. Lázaro Cárdenas N° 2321 Pte.
Edificio Alestra, Piso 6–B
66260 San Pedro Garza García, N.L.
Tel: 8133 7300

Informe del Comisario a la Asamblea General de Accionistas de GM Financial de México, S.A. de C.V., SOFOM, E.R.

En mi carácter de Comisario y en cumplimiento con el Artículo 166 de la Ley General de Sociedades Mercantiles y con los estatutos de GM Financial de México, S.A. de C.V., SOFOM, E.R., (la Entidad), rindo a ustedes mi informe sobre la veracidad, suficiencia y razonabilidad de la información que ha presentado a ustedes el Consejo de administración, en relación con la marcha de la Entidad por el año que terminó el 31 de diciembre de 2016.

Asistí a las Asambleas de Accionistas y Juntas del Consejo de administración a las que fui convocado y obtuve de los Directores y Administradores, la información sobre las operaciones, documentación y registros que consideré necesario examinar.

La Administración de la Entidad es responsable de la preparación de los estados financieros y sus Notas correspondientes, de conformidad con los criterios contables establecidos por la Comisión Nacional Bancaria y de Valores (la Comisión) a través de las "Disposiciones de Carácter General Aplicables a los Almacenes Generales de Depósito, Casas de Cambio, Uniones de Crédito, Sociedades Financieras de Objeto Múltiple Reguladas" (los Criterios Contables).

He revisado el balance general al 31 de diciembre de 2016 y sus correspondientes estados de resultado integral, de variaciones en el capital contable y de flujos de efectivo por el año terminado en esa fecha, los cuales se someten a la consideración de esta Asamblea para su información y aprobación. Para rendir este informe, también me he apoyado en el informe que sobre dichos estados financieros emiten en esta fecha los auditores independientes de la Entidad.

En mi opinión, los criterios y políticas contables y de información seguidos por la Entidad y considerados por los administradores para preparar la información presentada por los mismos a esta asamblea, son adecuados y suficientes y, se aplicaron en forma consistente con el ejercicio anterior, por lo tanto, dicha información refleja en forma veraz, suficiente y razonable, la situación financiera de GM Financial de México, S.A. de C.V., SOFOM, E.R., al 31 de diciembre de 2016, y los resultados de sus operaciones y los flujos de efectivo por el año que terminado en esa fecha, de conformidad con de conformidad con los Criterios Contables establecidos por la Comisión.

C.P.C. Ricardo Beltrán García
Comisario

27 de febrero de 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2016
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period _______________ to _______________
Commission file number 1-10667

General Motors Financial Company, Inc.
(Exact name of registrant as specified in its charter)

Texas	75-2291093
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

801 Cherry Street, Suite 3500, Fort Worth, Texas 76102
(Address of principal executive offices, including Zip Code)
(817) 302-7000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
5.250% Senior Notes due 2026	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
(Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of February 6, 2017, there were 505 shares of the registrant's common stock, par value $1.00 per share, outstanding. All of the registrant's common stock is owned by General Motors Holdings LLC.

DOCUMENTS INCORPORATED BY REFERENCE
NONE

The registrant is a wholly-owned subsidiary of General Motors Company and meets the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with a reduced disclosure format as permitted by Instruction I(2).

INDEX

GENERAL MOTORS FINANCIAL COMPANY, INC.

Forward-Looking Statements

This Form 10-K 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 ("SEC"), including this Annual Report on Form 10-K for the year ended December 31, 2016. It is advisable not to place undue reliance on our 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.

The following factors are among those that may cause actual results to differ materially from historical results or from the forward-looking statements:

- General Motors Company's ("GM") ability to sell new vehicles that we finance in the markets we serve in North America, Latin America, China and Europe, particularly the United Kingdom where automobile sales may be negatively impacted due to the passage of the referendum to discontinue its membership in the European Union;
- the viability of GM-franchised dealers that are commercial loan customers;
- the availability and cost of sources of financing;
- the level of net charge-offs, delinquencies and prepayments on the loans and leases we originate;
- the effect, interpretation or application of new or existing laws, regulations, court decisions and accounting pronouncements;
- the prices at which used cars are sold in the wholesale auction markets;
- vehicle return rates and the residual value performance on vehicles we lease;
- interest rate and currency exchange rate fluctuations;
- competition;
- our ability to manage risks related to security breaches and other disruptions to our networks and systems;
- changes in general economic and business conditions; and
- changes in business strategy, including expansion of product lines and credit risk appetite, acquisitions and divestitures.

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.

PART I

Item 1. Business

General General Motors Financial Company, Inc. (sometimes referred to as "we," "us," "our," the "Company," or "GM Financial"), the wholly-owned captive finance subsidiary of GM, is a global provider of automobile finance solutions. We were acquired by GM in October 2010 to provide captive financing capabilities in support of GM’s U.S. and Canadian markets. In 2013, we expanded the markets we serve by acquiring Ally Financial Inc.'s ("Ally Financial") auto finance operations in Europe and Latin America. In January 2015, we completed the acquisition of an equity interest in SAIC-GMAC Automotive Finance Company Limited (“SAIC-GMAC”), a joint venture that conducts auto finance operations in China, from Ally Financial. Our global footprint now covers over 85% of GM’s worldwide market, and we provide auto finance solutions around the world. Except as otherwise specified, amounts presented within the tables are stated in millions.

We offer substantially similar products and services throughout many different regions, subject to local regulations and market conditions. We evaluate our business in two operating segments: North America ("the North America Segment") and international ("the International Segment"). The North America Segment includes our operations in the U.S. and Canada. The International Segment includes our operations in all other countries.

North America Segment Our North America Segment includes operations in the U.S. and Canada. We have been operating in the automobile finance business in the U.S. since September 1992. Our retail automobile finance programs include prime and sub-prime lending and full credit spectrum leasing offered through GM-franchised dealers under the "GM Financial" brand. We also offer a sub-prime lending product through non-GM-franchised and select independent dealers under the "AmeriCredit" brand. Our sub-prime lending program is designed to serve customers who have limited access to automobile financing through banks and credit unions. We therefore generally charge higher rates than those charged by banks and credit unions and expect to sustain a higher level of credit losses than on prime lending. Our commercial lending programs are offered primarily to our GM-franchised dealer customers and their affiliates.

International Segment Our International Segment includes operations in the United Kingdom (U.K), Germany, Mexico and Brazil, as well as other countries across Europe and Latin America and in China through our joint venture relationship with SAIC-GMAC. The international operations were originally a part of General Motors Acceptance Corporation, the former captive finance subsidiary of GM. Due to this longstanding relationship, the international operations have substantial business related to GM and its dealer network. The retail lending and leasing programs in our International Segment focus on financing new GM vehicles and select used vehicles, predominantly for customers with prime credit scores. We also offer finance and/or car-related insurance products through third parties, such as payment protection insurance, gap, extended warranty, and motor insurance.

Refer to Note 16 to our consolidated financial statements for more information relating to our operating segments.

Retail Finance In our retail finance business, use of the term "loan" refers to retail installment contracts we purchase from automobile dealers or other vehicle financing products.

Marketing As an indirect auto finance provider, we focus our marketing activities on automobile dealers. We primarily pursue franchised dealerships with new and used car operations; however, we also conduct business with a limited number of independent dealerships. We generally finance new GM vehicles, moderately-priced new vehicles from other manufacturers, and later-model, low-mileage used vehicles.

In both segments, we maintain non-exclusive relationships with the dealers and actively monitor our dealer relationships with the objective of maximizing the volume of retail financing applications received from dealerships with whom we do business that meet our underwriting standards and profitability objectives. Due to the non-exclusive nature of our relationships with dealers, the dealers retain discretion to determine whether to obtain financing from us or from another source for a customer seeking to make a vehicle purchase.

Subvention Programs GM offers subvention programs, under which GM provides us cash payments in order for us to be able to provide for lower payments on finance and lease contracts we purchase from GM's dealership network, making credit more affordable to customers purchasing vehicles manufactured by GM.

Origination Data Our business strategy is to help GM sell vehicles while earning an appropriate risk-adjusted return. This includes increasing new GM automobile sales by offering a broad spectrum of competitive financing programs. Our increasing linkage with GM in our North America Segment is evidenced by the percentage of loans and leases we originate for new GM vehicles, which increased to 88% of our total retail originations volume in 2016, up from 84% in 2015 and 65% in 2014.

The following table sets forth the retail loan and lease origination levels for the North America and International Segments:

	Years Ended December 31,								
	2016			2015			2014		
	North America	International[(a)]	Total	North America	International[(a)]	Total	North America	International	Total
New GM	$ 32,150	$ 5,916	$ 38,066	$ 26,178	$ 5,700	$ 31,878	$ 8,380	$ 7,261	$ 15,641
Other	4,510	855	5,365	4,874	984	5,858	4,560	1,053	5,613
Total	$ 36,660	$ 6,771	$ 43,431	$ 31,052	$ 6,684	$ 37,736	$ 12,940	$ 8,314	$ 21,254

____

(a) Originations trends in the International Segment were negatively impacted by foreign currency translation.

Underwriting We utilize proprietary credit scoring systems to support our credit approval process. The credit scoring systems were developed through statistical analysis of customer demographics, credit bureau attributes and portfolio databases and are tailored to each country where we conduct business. Credit scoring is used to differentiate credit applications and to statistically rank-order credit risk in terms of expected default rates, which enables us to evaluate credit applications for approval, contract pricing and structure.

In addition to our proprietary credit scoring systems, we utilize other underwriting guidelines. These underwriting guidelines are comprised of numerous evaluation criteria, including, but not limited to: (i) identification and assessment of the applicant's willingness and capacity to repay the loan or lease, including consideration of credit history and performance on past and existing obligations; (ii) credit bureau data; (iii) collateral identification and valuation; (iv) payment structure and debt ratios; (v) insurance information; (vi) employment, income and residency verifications, as considered appropriate; and (vii) in certain cases, the creditworthiness of a co-obligor. These underwriting guidelines, and the minimum credit risk profiles of applicants we will approve as rank-ordered by our credit scorecards, are subject to change from time to time based on economic, competitive and capital market conditions as well as our overall origination strategies.

Servicing Our business strategy includes increasing the loyalty and retention of GM customers through our customer service activities. Our servicing activities include collecting and processing customer payments, responding to customer inquiries, initiating contact with customers who are delinquent, maintaining our security interest in financed vehicles, monitoring physical damage insurance coverage of financed vehicles, arranging for the repossession of financed vehicles, liquidation of collateral and pursuit of deficiencies when appropriate.

Operating Leases Most of our operating leases are closed-end leases; therefore, we assume the residual risk on the leased vehicle. The lessee may purchase the leased vehicle at lease end by paying the purchase price stated in the lease contract, which equals the contract residual value determined at origination of the lease, plus any fees and all other amounts owed under the lease. If the lessee decides not to purchase the leased vehicle, the lessee must return it to the dealer by the lease's scheduled lease maturity date. Extensions may be granted to the lessee for up to six months. If the lessee extends the maturity date on their lease contract, the lessee is responsible for additional monthly payments until the leased vehicle is returned or purchased.

A lessee may terminate a lease prior to the original scheduled lease maturity date. In order to terminate the lease prior to the scheduled lease maturity date, the lessee must pay the lesser of (i) all remaining monthly payments due under the lease, plus any charges for excess mileage, wear and use or (ii) the amount by which the carrying value of the lease exceeds the net sale proceeds received when the leased vehicle is sold.

We seek to maximize net sales proceeds on returned leased vehicles. Net sales proceeds equal gross proceeds less fees and costs for reconditioning and transporting the leased vehicles. We sell returned leased vehicles through our exclusive online channel, which is available to the dealer receiving the returned vehicle and other GM dealerships prior to broader dealer access and, if necessary, by disposition through our nationwide wholesale auction partners.

We have expanded our leasing and prime lending programs through GM-franchised dealerships in the U.S.; therefore, leasing and prime lending have become a larger percentage of our originations and retail portfolio balance. We have been the exclusive subvented lease provider for GM in the U.S. since April 2015 and the exclusive subvented loan provider for GM in the U.S. since January 2016. We define prime lending as lending to customers with FICO scores or equivalents of 680 and greater, near-prime lending as lending to customers with FICO scores or equivalents of 620 to 679, and sub-prime lending as lending to customers with FICO scores or equivalents of less than 620. The following table presents our retail loan and lease originations in the North America Segment by FICO score band or equivalents:

	Years ended December 31,					
	2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Prime	$ 25,801	70.4%	$ 19,978	64.3%	$ 5,060	39.1%
Near-prime	4,671	12.7	4,628	14.9	1,904	14.7
Sub-prime	6,188	16.9	6,446	20.8	5,976	46.2
Total originations	$ 36,660	100.0%	$ 31,052	100.0%	$ 12,940	100.0%

The following table summarizes the number of vehicles included in leased vehicles, net by vehicle type at December 31, 2016 and 2015 (in thousands):

	December 31,	
	2016	2015
Cars	430	271
Trucks	224	121
Crossovers	681	401
Total	1,335	793

The following table summarizes additional information for operating leases (in thousands):

	Years ended December 31,		
	2016	2015	2014
Operating leases originated[(a)]	680	553	178
Operating leases terminated[(b)]	138	62	30
Operating lease vehicles returned[(c)]	69	25	12
Return rate[(d)]	50%	41%	39%

____
(a) *Operating leases originated represents the number of operating leases we purchased during a given period.*
(b) *Operating leases terminated represents the number of vehicles for which the lease has ended during a given period.*
(c) *Operating lease vehicles returned represents the number of vehicles returned to us for remarketing at the end of the lease term.*
(d) *Return rates are calculated as the number of operating leases returned divided by the number of operating leases terminated.*

Operating leases originated has increased due to our exclusive subvention arrangement with GM, which was implemented during 2015. Operating leases terminated and operating lease vehicles returned increased due to the growth of the lease portfolio. Due to the current age and size of our lease portfolio, the current return rate is lower than we expect it to be in future periods as our lease portfolio grows and matures.

Commercial Finance Commercial lending products include floorplan financing, also known as wholesale or inventory financing, which is lending to finance vehicle inventory, as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate. Other commercial products include financing for parts and accessories, dealer fleets and storage centers.

Floorplan Financing We support the financing of new and used vehicle inventory primarily for our GM-franchised dealerships and their affiliates before sale or lease to the retail customer. Financing is provided through lines of credit extended to individual dealerships. In general, each floorplan line is secured by all financed vehicles and by other dealership assets and, when available, the continuing personal guarantee of the dealership's owners. Under certain circumstances, such as repossession of dealership inventory, GM and other manufacturers may be obligated by applicable law, or under agreements with us, to reassign or to repurchase new vehicle inventory within certain mileage and model year parameters, further minimizing our risk. The amount we advance to a dealership for new vehicles purchased through the manufacturer is equal to 100% of the wholesale invoice price of new vehicles, which includes destination and other miscellaneous charges, and a price rebate, known as a holdback, from the manufacturer to the dealer in varying amounts stated as a percentage of the invoice price. We advance the loan proceeds directly to the manufacturer. To support a dealership's used car inventory needs, we advance funds to the dealership or auction to purchase used vehicles for inventory based on the appropriate wholesale book value for the region in which the dealer is located.

Floorplan lending is typically structured to yield interest at a floating rate indexed to an appropriate benchmark rate. The rate for a particular dealership is based on, among other things, the dealership's creditworthiness, the amount of the credit line, the dealer's risk rating and whether or not the dealership is in default. Interest on floorplan loans is generally payable monthly. GM offers floorplan interest subvention, under which GM makes payments to us to cover certain periods of interest on certain floorplan loans.

Dealer Loans We also make loans to finance parts and accessories as well as improvements to dealership facilities, to provide working capital and to purchase and finance dealership real estate. These loans are typically secured by mortgages or deeds of trust on dealership land and buildings, security interests in other dealership assets and often the continuing personal guarantees from the owners of the dealerships and/or the real estate, as applicable. Dealer loans are structured to yield interest at fixed or floating rates, which are indexed to an appropriate benchmark rate. Interest on dealer loans is generally payable monthly.

Underwriting Each dealership is assigned a risk rating based on various factors, including, but not limited to, capital sufficiency, operating performance, financial outlook and credit and payment history, if available. The risk rating affects loan pricing and guides management of the account. We monitor the level of borrowing under each dealership's account daily. When a dealer's outstanding balance exceeds the availability on any given credit line with that dealership, we may reallocate balances across existing lines, temporarily suspend the granting of additional credit, increase the dealer's credit line or take other actions following an evaluation and analysis of the dealer's financial condition and the cause of the excess or overline. Under the terms of the credit agreement with the dealership, we may call the floorplan loans due and payable and receive payment typically within 60 days of the call.

Servicing Commercial loan servicing activities include dealership customer service, account maintenance, exception processing, credit line monitoring and adjustment and insurance monitoring. In the North America Segment, our commercial lending servicing operations are centrally located, while in our International Segment, they are conducted primarily in-country, usually located within retail lending and servicing centers.

Upon the sale or lease of a financed vehicle, the dealer must repay the advance on the vehicle according to the repayment terms. These repayment terms may vary based on the dealer's risk rating. As a result, funds advanced may be repaid in a short time period, depending on the length of time the dealer holds the vehicle until its sale. We periodically inspect and verify that the financed vehicles are on the dealership lot and available for sale. The timing of the verifications varies and no advance notice is given to the dealer. Among other things, verifications are intended to determine dealer compliance with its credit agreement as to repayment terms and to determine the status of our collateral.

Sources of Financing We primarily finance our loan, lease and commercial origination volume through the use of our secured and unsecured credit facilities, through public and private securitization transactions where such markets are developed, through the issuance of unsecured debt in the public markets and by accepting deposits from retail banking customers in Germany. Generally, we seek to fund our operations through local sources of funding to minimize currency and country risk, although we may issue debt globally in order to enhance funding source diversification and support financing needs for the U.S. As such, the mix of funding sources varies from country to country, based on the characteristics of our earning assets and the relative development of the capital markets in each country. Our operations in the U.S., Canada, Latin America and China are generally funded locally. Our European operations obtain most of their funding from local sources and also borrow funds from affiliated companies. We actively monitor the capital markets and seek to optimize our mix of funding sources to minimize our cost of funds.

Secured Credit Facilities Some loans and leases are funded using secured credit facilities with participating banks providing financing either directly or through institutionally-managed conduits. Under these funding agreements, we transfer financial assets to special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the bank participants or agents, collateralized by such financial assets. The bank participants or agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of financial assets. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the assets held by these subsidiaries are legally owned by them and are not available to our creditors or creditors of our other subsidiaries. Advances under our funding agreements bear interest at commercial paper, London Interbank Offered Rates ("LIBOR"), Canadian Dollar Offered Rate ("CDOR"), Euro Interbank Offered Rate ("EURIBOR"), The Interbank Equilibrium Interest Rate ("TIIE") or prime rates plus a credit spread and specified fees, depending upon the source of funds provided by the bank participants or agents. In certain markets in the International Segment, we also finance loans through the sale of receivables to banks under a full recourse arrangement.

Unsecured Credit Facilities The International Segment uses unsecured bank credit facilities as a source of funding. Both committed and uncommitted credit facilities are utilized. The financial institutions providing the uncommitted facilities are not obligated to advance funds under them.

Securitizations We also fund loans and leases through public and private securitization transactions. Proceeds from securitizations are used primarily to fund initial cash credit enhancement requirements in the securitization and to pay down borrowings under our credit facilities, thereby increasing availability thereunder for further originations.

In our securitizations, we transfer loans or lease-related assets to securitization trusts ("Trusts"), which issue one or more classes of asset-backed securities. The asset-backed securities are in turn sold to investors. When we transfer loans or lease-related assets to a Trust, we make certain representations and warranties regarding the loans and lease-related assets. These representations and warranties pertain to specific aspects of the loans or leases, including the origination of the loans or leases, the obligors of the loans or leases, the accuracy and legality of the records, schedules containing information regarding the loans or leases, the financed vehicles securing the loans or leases, the security interests in the loans or leases, specific characteristics of the loans or leases, and certain matters regarding our servicing of the loans or leases, but do not pertain to the underlying performance of the loans or leases. Upon the breach of one of these representations or warranties (subject to any applicable cure period) that materially and adversely affects the noteholders' interest in any loan or lease, we are obligated to repurchase the loan or lease from the Trust. Historically, repurchases due to a breach of a representation or warranty have been insignificant.

We utilize senior-subordinated securitization structures which involve the public and private sale of subordinated asset-backed securities to provide credit enhancement for the senior, or highest rated, asset-backed securities. The level of credit enhancement in future senior-subordinated securitizations will depend, in part, on the net interest margin, collateral characteristics and credit performance trends of the assets transferred, as well as our credit trends and overall auto finance industry credit trends. Credit enhancement levels may also be impacted by our financial condition, the economic environment and our ability to sell lower-rated subordinated bonds at rates we consider acceptable.

The credit enhancement requirements in our securitization transactions may include restricted cash accounts that are generally established with an initial deposit and may subsequently be funded through excess cash flows from securitized assets. An additional form of credit enhancement is provided in the form of overcollateralization, whereby the value of the loans or lease-related assets transferred to the Trusts is greater than the amount due on asset-backed securities issued by the Trusts. In the International Segment, our securitization transactions may contain portfolio performance ratios which could increase the minimum credit enhancement levels. In the North America Segment, our securitization transactions typically do not contain these performance ratios.

Senior Notes, Retail Customer Deposits and Other Unsecured Debt We also access the capital markets in the North America and International Segments through the issuance of senior unsecured notes in the public markets. In Germany, we accept deposits from retail banking customers. In Latin America, we issue, to a limited extent, other unsecured debt through commercial paper offerings and other non-bank funding instruments.

GM also provides us with financial resources through a $1.0 billion unsecured intercompany revolving credit facility (the "Junior Subordinated Revolving Credit Facility").

Trade Names We and GM have obtained federal trademark protection for the "AmeriCredit," "GM Financial" and "GMAC" names and the logos that incorporate those names. Certain other names, logos and phrases we use in our business operations have also been trademarked. The trademarks that GM and we hold are very important to our identity and recognition in the marketplace.

Regulation Our operations are subject to regulation, supervision and licensing by governmental authorities under various national, state and local laws and regulations.

North America Segment In the U.S., we are subject to extensive federal regulation, including the Truth in Lending Act, the Equal Credit Opportunity Act and the Fair Credit Reporting Act. Additionally, we are subject to the Gramm-Leach-Bliley Act, which requires us to maintain the privacy of certain consumer data in our possession and to periodically communicate with consumers on privacy matters, and the Servicemembers Civil Relief Act, which has limitations on the interest rate charged to customers who have subsequently entered military service, and provides other protections such as early lease termination and restrictions on repossession.

The primary federal agency responsible for ensuring compliance with these consumer protection laws is the Consumer Financial Protection Bureau (“CFPB”). The CFPB has broad rule-making, examination and enforcement authority over non-bank automobile finance companies such as us. On August 31, 2015, we became subject to supervision and examination by the CFPB as a “larger participant” in the automobile finance market.

In most states and other jurisdictions in which we operate, a consumer credit regulatory agency regulates and enforces laws relating to sales finance companies and consumer lenders or lessors like us. These laws and regulations generally provide for licensing as a sales finance company or consumer lender or lessor, limitations on the amount, duration and charges, including interest rates, requirements as to the form and content of finance contracts and other documentation, and restrictions on collection practices and creditors' rights. In certain jurisdictions, we are subject to periodic examination by regulatory authorities.

In Canada, we are subject to both federal and provincial laws and regulations, including the Interest Act, the Consumer Protection Acts and Cost of Credit Disclosure regulations. Additionally, we are subject to certain provincial Consumer Reporting Acts and the Personal Information Protection and Electronic Documents Act, as well as provincial counterparts, which regulates how we can collect, use, and/or disclose consumers' personal information.

International Segment In certain countries in the International Segment, we operate in local markets as either banks or regulated finance companies and are subject to legal and regulatory restrictions which vary country to country and which may change from time to time. The regulatory restrictions, among other things, may require that the regulated entities meet certain minimum capital requirements, may restrict dividend distributions and ownership of certain assets, and may require certain disclosures to prospective purchasers and lessees and restrict certain practices related to the servicing of consumer accounts.

Competition The automobile finance market is highly fragmented and is served by a variety of financial entities, including the captive finance affiliates of other major automotive manufacturers, banks, thrifts, credit unions, leasing companies and independent finance companies. Many of these competitors have substantial financial resources, highly competitive funding costs and significant scale and efficiency. Capital inflows from investors to support the growth of new entrants in the automobile finance market, as well as growth initiatives from more established market participants has resulted in generally increasing competitive conditions. While we have a competitive advantage when GM-sponsored subvention programs are offered exclusively through us to targeted GM dealers and their customers, when no subvention programs are offered our competitors can often provide financing on terms more favorable to customers or dealers than we may offer. Many of these competitors also have long standing relationships with automobile dealerships and may offer the dealerships or their customers other products and services, which we may not currently provide.

Employees At December 31, 2016, we employed 9,000 people, excluding SAIC-GMAC employees. We participate in mandatory national collective bargaining agreements where they are required, and maintain satisfactory working relationships with works councils and trade union representatives where they exist.

As of February 7, 2017, the names and ages of our executive officers and their positions with GM Financial are as follows:

Name (Age)	Present GMF Position (Effective Date)	Position Held During the Past Five Years if other than present GMF position (Effective Date)
Daniel E. Berce (63)	President and Chief Executive Officer (2005)	
Kyle R. Birch (56)	Executive Vice President and Chief Operating Officer - North America (2013)	Executive Vice President of Dealer Services (2003)
Mark F. Bole (53)	President, International Operations (2013)	Executive Vice President, International Operations for Ally Financial Inc. (2005)
Steven P. Bowman (49)	Executive Vice President and Chief Credit and Risk Officer (2005)	
Chris A. Choate (54)	Executive Vice President and Chief Financial Officer (2005)	
Connie Coffey (45)	Executive Vice President, Corporate Controller and Chief Accounting Officer (2014)	Executive Vice President, Corporate Controller (2012); and Senior Vice President, Accounting and Reporting (2002)
Michael S. Kanarios (46)	Executive Vice President and Chief Operating Officer, International Operations (2015)	Executive Vice President and Chief Financial Officer, International Operations (2013), Vice President and Chief Financial Officer, International Dealer Finance, Ally Financial Inc. (2008)
Susan B. Sheffield (50)	Executive Vice President and Treasurer (2014)	Executive Vice President, Corporate Finance (2008)

Available Information We make available free of charge through our website, www.gmfinancial.com, our public securitization information and all materials that we file electronically with the SEC, including our reports on Form 10-K, Form 10-Q, Form 8-K, and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practical after filing or furnishing such material with or to the SEC. We encourage the public to visit our website, as we frequently update and post new information about our company on our website and it is possible that this information could be deemed to be material information. Our website and information included or linked to our website are not part of this Form 10-K.

The public may read and copy any materials we file with or furnish to the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website, www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors

The profitability and financial condition of our operations are dependent upon the operations of our parent, GM.

A material portion of our retail finance business, and substantially all our commercial lending activities, consist of financing associated with the sale and lease of new GM vehicles and our relationship with GM-franchised dealerships. If there were significant changes in GM's liquidity and capital position and access to the capital markets, the production or sales of GM vehicles to retail customers, the quality or resale value of GM vehicles, GM's operations that may require restructuring or rationalization actions, or other factors impacting GM or its products, such changes could significantly affect our profitability, financial condition, and access to the capital markets. In addition, GM sponsors special-rate financing programs available through us. Under these programs, GM makes interest supplements or other support payments to us. These programs increase our financing volume and our share of financed GM vehicle sales. If GM were to adopt marketing strategies in the future that de-emphasized such programs in favor of other incentives, our financing volume could be reduced.

There is no assurance that the global automotive market or GM's share of that market will not suffer downturns in the future, and any negative impact could in turn have a material adverse effect on our financial position, liquidity and results of operations.

We depend on the financial condition of GM dealers.

Our profitability is dependent on the financial condition of the GM-franchised dealerships in our commercial lending portfolio, including the levels of inventory dealers carry in response to retail demand for new GM vehicles and used vehicles, and the level of wholesale borrowing required by dealers for inventory acquisitions, construction projects to dealership facilities and working capital. Our business may be negatively affected if, during periods of economic slowdown or recession, dealers reduce borrowing for inventory purchases or for other purposes, or are unable to sell or otherwise liquidate vehicle inventories and repay their wholesale, real estate and other loans to us. Decreased retail demand for GM vehicles can also adversely impact the overall financial condition of GM-franchised dealerships, possibly increasing defaults and net loss rates in our commercial lending portfolio and adversely impacting our ability to grow and, ultimately, our financial condition, liquidity and results of operations.

Our ability to continue to fund our business and service our debt is dependent on a number of financing sources and requires a significant amount of cash.

We depend on various financing sources, including secured financings, securitization programs and unsecured debt issuances, to finance our loan and lease originations and commercial lending business. Additionally, our ability to make payments on or to refinance our indebtedness depends on our access to the capital markets in the future and our ability to generate cash. Our access to financing sources depends upon our financial position, general market conditions, availability of bank liquidity and the bank regulatory environment, our compliance with covenants imposed under our financing agreements, the credit quality of the collateral we can pledge to support secured financings, and other factors. Changes in GM's and our credit ratings may also impact our access to and cost of financing. There can be no assurance that funding will be available to us through these financing sources or, if available, that the funding will be on acceptable terms. If these financing sources are not available to us on a regular basis for any reason, or we are not otherwise able to generate significant amounts of cash, then we would not have sufficient funds and would be required to revise the scale of the business, including the possible reduction or discontinuation of origination activities, which would have a material adverse effect on our financial position, liquidity and results of operations. In addition, certain of our revolving credit facilities contain various covenants. If an event of default occurs under these agreements, the lenders could elect to declare all amounts outstanding under these agreements to be immediately due and payable, enforce their interests against collateral pledged under these agreements or restrict our ability to obtain additional borrowings under these facilities.

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under existing indebtedness.

We currently have a substantial amount of outstanding indebtedness. In addition, we have guaranteed a substantial amount of indebtedness incurred by operating subsidiaries in our International Segment and Canada. Additionally, we have entered into intercompany loan agreements with several of our subsidiaries in Europe and Latin America, providing these companies with access to liquidity to support originations and other activities. Our ability to make payments of principal and interest on, or to refinance, our indebtedness will depend on our future operating performance, and our ability to enter into additional credit facilities and securitization transactions as well as other debt financings, which, to a certain extent, are subject to economic, financial, competitive, regulatory, capital markets and other factors beyond our control.

If we are unable to generate sufficient cash flows in the future to service our debt, we may be required to refinance all or a portion of our existing debt or to obtain additional financing. There can be no assurance that any refinancing will be possible or that any additional financing could be obtained on acceptable terms. The inability to service or refinance our existing debt or to obtain additional financing would have a material adverse effect on our financial position, liquidity and results of operations.

The degree to which we are leveraged creates risks, including:

- we may be unable to satisfy our obligations under our outstanding indebtedness;
- we may find it more difficult to fund future credit enhancement requirements, operating costs, tax payments, capital expenditures or general corporate expenditures;
- we may have to dedicate a substantial portion of our cash resources to payments on our outstanding indebtedness, thereby reducing the funds available for operations and future business opportunities; and
- we may be vulnerable to adverse general economic, capital markets and industry conditions.

Our credit facilities may require us to comply with certain financial ratios and covenants, including minimum asset quality maintenance requirements. These restrictions may interfere with our ability to obtain financing or to engage in other necessary or desirable business activities.

If we cannot comply with the requirements in our credit facilities, then our lenders may increase our borrowing costs, remove us as servicer or declare the outstanding debt immediately due and payable. If our debt payments were accelerated, any assets pledged to secure these facilities might not be sufficient to fully repay the debt. These lenders may foreclose upon their collateral, including the restricted cash in these credit facilities. These events may also result in a default under our senior note indentures. We may not be able to obtain a waiver of these provisions or refinance our debt, if needed. In such case, our financial condition, liquidity and results of operations would materially suffer.

Defaults and prepayments on loans and leases purchased or originated by us could adversely affect our operations.

Our financial condition, liquidity and results of operations depend, to a material extent, on the performance of loans and leases in our portfolio. Obligors under contracts acquired or originated by us, including dealer obligors in our commercial lending portfolio, may default during the term of their loan or lease. Generally, we bear the full risk of losses resulting from defaults. In the event of a default, the collateral value of the financed vehicle or, in the case of a commercial obligor, the value of the inventory and other commercial assets we finance usually does not cover the outstanding amount due to us, including the costs of recovery and asset disposition.

The amounts owed to us by any given dealership or dealership group in our commercial lending portfolio can be significant. The amount of potential loss resulting from the default of a dealer in our commercial lending portfolio can, therefore, be material even after liquidating the dealer's inventory and other assets to offset the defaulted obligation. Additionally, because the receivables in our commercial lending portfolio may include complex arrangements including guarantees, inter-creditor agreements, mortgages and other liens, our ability to recover and dispose of the underlying inventory and other collateral may be time-consuming and expensive, thereby increasing our potential loss.

We maintain an allowance for loan losses on our finance receivables which reflects management's estimates of inherent losses for these receivables. If the allowance is inadequate, we would recognize the losses in excess of that allowance as an expense and results of operations would be adversely affected. A material adjustment to our allowance for loan losses and the corresponding decrease in earnings could limit our ability to enter into future securitizations and other financings, thus impairing our ability to finance our business.

An increase in defaults would reduce the cash flows generated by us, and distributions of cash to us from our secured debt facilities would be delayed and the ultimate amount of cash distributable to us would be less, which would have an adverse effect on our liquidity.

Customer prepayments and dealer repayments on commercial obligations, which are generally revolving in nature, affect the amount of finance charge income we receive over the life of the loans. If prepayment levels increase for any reason and we are not able to replace the prepaid receivables with newly-originated loans, we will receive less finance charge income and our results of operations may be adversely affected.

A substantial portion of our origination and servicing activities in the North America Segment have historically involved sub-prime automobile receivables. Sub-prime borrowers are associated with higher-than-average delinquency and default rates. The actual rates of delinquencies, defaults, repossessions and losses with respect to those borrowers could also be more dramatically affected by a general economic downturn. While we believe that we effectively manage these risks with our proprietary credit scoring system, risk-based pricing and other underwriting policies, and our servicing and collection methods, no assurance can be given that our methods will be effective in the future. In the event that we underestimate the default risk or underprice contracts that we purchase, our financial position, liquidity and results of operations would be adversely affected.

Our operations are subject to regulation, supervision and licensing under various federal, state and local laws and regulations.

As an entity operating in the financial services sector, we are required to comply with a wide variety of laws and regulations that may be costly to adhere to and may affect both our operating results and our ability to service our earning assets. Compliance with these laws and regulations requires that we maintain forms, processes, procedures, controls and the infrastructure to support these requirements and these laws and regulations often create operational constraints both on our ability to implement servicing procedures and on pricing. Laws in the financial services industry are designed primarily for the protection of consumers. The failure to comply with these laws could result in significant statutory civil and criminal penalties for us, monetary damages, attorneys’ fees and costs, possible revocation of licenses and damage to reputation, brand and valued customer relationships.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") is extensive and significant legislation that, among other things, strengthens the regulatory oversight of securities and capital markets activities by the SEC and increases the regulation of the securitization markets in the U.S. The various requirements of the Dodd-Frank Act may substantially impact the origination, servicing and securitization program of our subsidiaries.

The Dodd-Frank Act also created the CFPB, a federal agency that has extensive rulemaking and enforcement authority. The CFPB has indicated an intention to review the actions of indirect auto finance companies such as us with regard to pricing activities and issued a bulletin to such lenders on how to limit fair lending risk under the Equal Credit Opportunity Act. We are subject to supervision and examination by the CFPB as a "larger participant" in the automobile finance market. Supervisory and examination powers over nonbank lenders such as us allow the agency to conduct comprehensive and rigorous on-site examinations that could result in enforcement actions, fines, and mandated process, procedure or product-related changes or consumer refunds if violations of law or unfair lending practices are found, which could have a material adverse effect on our financial condition and results of operations.

In July 2014, we were served with a subpoena by the U.S. Department of Justice directing us to produce certain documents relating to our and our subsidiaries' and affiliates' origination and securitization of sub-prime automobile loans since 2007 in connection with an investigation by the U.S. Department of Justice in contemplation of a civil proceeding for potential violations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Among other matters, the subpoena requests information relating to the underwriting criteria used to originate these automobile loans and the representations and warranties relating to those underwriting criteria that were made in connection with the securitization of the automobile loans. We have subsequently been served with additional investigative subpoenas to produce documents from state attorneys general and other governmental offices relating to our retail auto loan business and securitization of auto loans. These investigations are ongoing and could in the future result in the imposition of damages, fines or civil or criminal claims and/or penalties. No assurance can be given that the ultimate outcome of the investigations or any resulting proceedings would not materially and adversely affect us or any of our subsidiaries and affiliates.

Our profitability is dependent upon retail demand for automobiles and related automobile financing and the ability of customers to repay loans and leases, and our business may be negatively affected during times of low automobile sales, fluctuating wholesale prices and lease residual values, rising interest rates, volatility in currency exchange rates and high unemployment.

General We are subject to changes in general economic conditions that are beyond our control. During periods of economic slowdown or recession, delinquencies, defaults, repossessions and losses generally increase. These periods also may be accompanied by increased unemployment rates, decreased demand for automobiles and declining values of automobiles securing outstanding loans and leases, which weakens collateral coverage and increases the amount of a loss in the event of default. Additionally, higher gasoline prices, declining stock market values, unstable real estate values, increasing unemployment levels, general availability of consumer credit and other factors that impact consumer confidence or disposable income could increase loss frequency and decrease demand for automobiles as well as weaken collateral values on certain types of automobiles. In addition, during an economic slowdown or recession, our servicing costs may increase without a corresponding increase in our revenue. While we seek to manage these risks through the underwriting criteria and collection methods we employ, no assurance can be given that these criteria or methods will afford adequate protection against these risks. Any sustained period of increased delinquencies, defaults, repossessions or losses or increased servicing costs could adversely affect our financial position, liquidity, results of operations and our ability to enter into future securitizations and credit facilities.

Wholesale Auction Values We sell repossessed automobiles at wholesale auction markets located throughout the countries where we have operations. Auction proceeds from the sale of repossessed vehicles and other recoveries are usually not sufficient to cover the outstanding balance of the contract, and the resulting deficiency is charged off. We also sell automobiles returned to us at the end of lease terms. Decreased auction proceeds resulting from the depressed prices at which used automobiles may be sold during periods of economic slowdown or low retail demand will result in higher losses for us. Furthermore, depressed wholesale prices for used automobiles may result from significant liquidations of rental or fleet inventories, financial difficulties of new vehicle manufacturers, discontinuance of vehicle brands and models and increased volume of trade-ins due to promotional programs offered by new vehicle manufacturers. Additionally, higher gasoline prices may decrease the wholesale auction values of certain types of vehicles.

Leased Vehicle Residual Values and Return Rates We project expected residual values and return volumes of the vehicles we lease. At the inception of a lease, we determine the amount of lease payments we charge our lease customer based, in part, on our estimated residual value. Actual proceeds realized by us upon the sale of a returned leased vehicle at lease termination may be lower than the amount projected, which reduces the profitability of the lease transaction to us. Among the factors that can affect the value of returned lease vehicles are the volume of vehicles returned, economic conditions and the quality or perceived quality, safety or reliability of the vehicles. Actual return volumes may be higher than expected and can be influenced by contractual lease-end values relative to then-existing market values, marketing programs for new vehicles and general economic conditions. All of these, alone or in combination, have the potential to adversely affect the profitability of our lease program and financial results.

Interest Rates Our profitability may be directly affected by the level of and fluctuations in interest rates, which affect the gross interest rate spread we earn on our portfolio. As the level of interest rates change, our net interest margin on new originations either increases or decreases since the rates charged on our loans and leases are generally fixed rates and are limited by market and competitive conditions, restricting our opportunity to pass on increased interest costs to the customer.

Foreign Currency Exchange Rates We are exposed to the effects of changes in foreign currency exchange rates and availability of currencies. Changes in currency exchange rates cannot always be predicted or hedged. As a result, unfavorable changes in exchange rates could have an adverse effect on our financial condition, liquidity and results of operations.

Labor Market Conditions Competition to hire and retain personnel possessing the skills and experience required by us could contribute to an increase in our employee turnover rate. High turnover or an inability to attract and retain qualified personnel could have an adverse effect on our delinquency, default and net loss rates, our ability to grow and, ultimately, our financial condition, liquidity and results of operations.

We do not control the operations of SAIC-GMAC, and we are subject to the risks of operating in China.

We do not control the operations of SAIC-GMAC, as it is a joint venture, and we do not have a majority interest in the joint venture. In the joint venture, we share ownership and management with other parties who may not have the same goals, strategies, priorities, or resources as we do and may compete with us outside the joint venture. Joint ventures are intended to be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities, as well as time-consuming procedures for sharing information and making decisions. We are required to pay more attention to our relationship with our co-owners as well as with the joint venture, and if a co-owner changes or relationships deteriorate, our success in the joint venture may be materially adversely affected. The benefits from a successful joint venture are shared among the co-owners, and as such, we do not receive the full benefits from a successful joint venture. As a result of having limited control over the actions of the joint venture, we may be unable to prevent misconduct or other violations of applicable laws. Moreover, the joint venture may not follow the same requirements regarding internal controls and internal control over financial reporting that we follow. To the extent another party makes decisions that negatively impact the joint venture or internal control issues arise within the joint venture, we may have to take responsive or other actions or we may be subject to penalties, fines or other related actions for these activities that could have a material adverse impact on our business, financial condition and results of operations. In addition, we are subject to the risks of operating in China. The automotive finance market in China is highly competitive and subject to significant governmental regulation. As the Chinese market continues to develop, we anticipate that additional competitors, both international and domestic, will seek to enter the Chinese market and that existing market participants will act aggressively to increase their market share. Increased competition may result in reduced margins and our inability to gain or hold market share. In addition, business in China is sensitive to economic and market conditions that drive sales volume in China. If SAIC-GMAC is unable to maintain its position in the Chinese market or if vehicle sales in China decrease or do not continue to increase, our business and financial results could be materially adversely affected.

A security breach or a cyber-attack could adversely affect our business.

A security breach or cyber-attack of our computer systems could interrupt or damage our operations or harm our reputation. Risks of security breaches and cyber-attacks may increase in the future as we increase our web-based product offerings, such as online payment options, and expand our internal usage of web-based products and applications. If third parties or our employees are able to penetrate our network security or otherwise misappropriate our customers' personal information or contract information, or if we give third parties or our employees improper access to our customers' personal information or contract information, we could be subject to liability. This liability could include identity theft or other similar fraud-related claims. This liability could also include claims for other misuses or losses of personal information, including for unauthorized marketing purposes. Other liabilities could include claims alleging misrepresentation of our privacy and data security practices. We could also be subject to regulatory action in certain jurisdictions, particularly in North America and Europe.

We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential consumer information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. A party who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may be required to expend capital and other resources to protect against such security breaches or cyber-attacks or to alleviate problems caused by such breaches or attacks and our insurance coverage may not be adequate to cover all the costs related to such breaches or attacks. Our security measures are designed to protect against security breaches and cyber-attacks, but our failure to prevent such security breaches and cyber-attacks could subject us to liability, decrease our profitability and damage our reputation.

Our operations outside the U.S. expose us to additional risks.

The international operations are subject to many of the same risks as our U.S. operations. In addition to those risks, the international operations, including the operations of SAIC-GMAC, are subject to certain additional risks, such as the following:

- economic downturns in foreign countries or geographic regions where we have significant operations, such as Europe, Brazil and China;
- multiple foreign regulatory requirements that are subject to change;
- difficulty in establishing, staffing and managing foreign operations;
- differing labor regulations;
- consequences from changes in tax laws;
- restrictions on the ability to repatriate profits or transfer cash into or out of foreign countries and the tax consequences of such repatriations and transfers;
- fluctuations in foreign currencies;
- political and economic instability, natural calamities, war, and terrorism; and
- compliance with laws and regulations applicable to international operations, including anti-corruption laws such as the Foreign Corrupt Practices Act and international trade and economic sanctions laws.

The effects of these risks may, individually or in the aggregate, adversely affect our business.

Item 2. Properties

Our executive offices are located in Fort Worth, Texas. We operate credit centers, collections and customer service centers and administrative offices in leased facilities in North America, Europe and Latin America. SAIC-GMAC operates in offices located in China.

Item 3. Legal Proceedings

Refer to Note 11 to our consolidated financial statements for information relating to legal proceedings.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

All of our issued and outstanding equity securities are owned by a single holder, GM, and there is not an established public trading market for our common stock. We have never paid cash dividends on our common stock. We presently intend to retain future earnings, if any, for use in the operation of the business and do not anticipate paying any cash dividends in the foreseeable future; provided, however, that we may reexamine this policy with our sole shareholder at any time.

Item 6. Selected Financial Data

Omitted in accordance with General Instruction I to Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This MD&A should be read in conjunction with the accompanying consolidated financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and expenses during the reporting periods. Actual results could differ from those estimates, due to inherent uncertainties in making estimates, and those differences may be material. Refer to Note 1 to our consolidated financial statements for our significant accounting policies related to our critical accounting estimates. The accounting estimates that we believe are the most critical to understanding and evaluating our reported financial results include the following:

Retail Finance Receivables and the Allowance for Loan Losses Our retail finance receivables portfolio consists of smaller-balance, homogeneous loans which are carried at amortized cost, net of allowance for loan losses. These loans are divided among pools based on common risk characteristics, such as internal credit score, origination period, delinquent status and geography. An internal credit score, of which FICO is an input in North America, is created by using algorithms or statistical models contained in origination scorecards. The scorecards are used to evaluate a consumer's ability to pay based on statistical modeling of their prior credit usage, structure of the loan and other information. The output of the scorecards rank-order consumers from those that are most likely to pay to those that are least likely to pay. By further dividing the portfolio into pools based on internal credit scores we are better able to distinguish expected credit performance for different credit risks. These pools are collectively evaluated for impairment based on a statistical calculation, which is supplemented by management judgment. The allowance is aggregated for each of the pools.

We use a combination of forecasting methodologies to determine the allowance for loan losses, including roll rate modeling and static pool modeling techniques. A roll rate model is generally used to project near term losses and static pool models are generally used to project losses over the remaining life. Probable losses are estimated for groups of accounts aggregated by past-due status and origination month. Generally, up to the last 10 years of loss experience is evaluated. Recent performance is more heavily weighted when determining the allowance to result in an estimate that is more reflective of the current internal and external environments. Factors that are considered when estimating the allowance include historical delinquency migration to loss, probability of default ("PD") and loss given default ("LGD"). PD and LGD are specifically estimated for each monthly vintage (i.e., group of originations) in cases where vintage models are used. PD is estimated based on expectations that are aligned with internal credit scores. LGD is projected based on historical trends experienced over the last 10 years, weighted toward more recent performance in order to consider recent market supply and demand factors that impact wholesale used vehicle pricing. While forecasted probable losses are quantitatively derived, we assess the recent internal operating and external environments and may qualitatively adjust certain assumptions to result in an allowance that is more reflective of losses that are expected to occur in the current environment.

We also use historical charge-off experience to determine a loss confirmation period ("LCP"). The LCP is a key assumption within our models and represents the average amount of time between when a loss event first occurs to when the receivable is charged-off. This LCP is the basis of our allowance and is applied to the forecasted probable credit losses to determine the amount of losses we believe exist at the balance sheet date.

We believe these factors are relevant in estimating incurred losses and also consider an evaluation of overall portfolio credit quality based on indicators such as changes in our credit evaluation, underwriting and collection management policies, changes in the legal and regulatory environment, general economic conditions and business trends and uncertainties in forecasting and modeling techniques used in estimating our allowance. We update our retail loss forecast models and portfolio indicators on a quarterly basis to incorporate information reflective of the current economic environment.

Assumptions regarding credit losses and LCPs are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above. Should the credit loss assumption or LCPs increase, there would be an increase in the amount of allowance for loan losses required, which would decrease the net carrying value of finance receivables and increase the amount of provision for loan losses.

Finance receivables that are considered impaired, including troubled debt restructurings ("TDRs"), are individually evaluated for impairment. In assessing the risk of individually impaired loans such as TDRs, among the factors we consider are the financial condition of the borrower, geography, collateral performance, historical loss experience, and industry-specific information that management believes is relevant in determining the occurrence of a loss event and measuring impairment. These factors are based on an evaluation of historical and current information, and involve subjective assessment and interpretation.

We believe that the allowance for loan losses on retail finance receivables is adequate to cover probable losses inherent in our retail finance receivables; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase. A 10% and 20% increase in cumulative charge-offs after recoveries on the portfolio over the LCP would increase the allowance for loan losses at December 31, 2016 by $79 million and $159 million.

Commercial Finance Receivables and Allowance for Loan Losses Commercial finance receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable credit losses inherent in the commercial finance receivables. For the International Segment, we established the allowance for loan losses based on historical loss experience. Since we began offering commercial lending in the North America Segment in 2012, we performed an analysis of the experience of comparable commercial lenders in order to estimate probable credit losses inherent in our portfolio. The commercial finance receivables are aggregated into loan-risk pools, which are determined based on our internally-developed risk rating system. Based upon our risk ratings, we also determine if any specific dealer loan is considered impaired. If impaired loans are identified, specific reserves are established, as appropriate, and the loan is segregated for separate monitoring.

We believe that the allowance for loan losses for commercial finance receivables is adequate to cover probable losses inherent in our portfolio; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase. A 10% and 20% increase in cumulative charge-offs on the commercial finance receivable portfolio over the LCP would increase the allowance for loan losses at December 31, 2016 by $5 million and $10 million.

Expected losses on our commercial loans are lower than expected losses on our retail loans because commercial loans are secured not only by the financed vehicles, but also other dealership assets and often the continuing personal guarantee of the dealers' owners. In addition, automotive manufacturers are typically obligated to repurchase new vehicle inventory within certain mileage and model year parameters set by applicable state law in the event that we repossess the dealership's inventory, thus potentially reducing any loss due to dealer default.

Residual Value of Leased Vehicles We have investments in leased vehicles recorded as operating leases. Each leased asset in our portfolio represents a vehicle that we own and have leased to a customer. At the time we purchase a lease, we establish an expected residual value for the vehicle at the end of the lease term, which typically ranges from two to five years. The customer is obligated to make payments during the term of the lease for the difference between the purchase price and the contract residual value plus a money factor. However, since the customer is not obligated to purchase the vehicle at the end of the contract, we are exposed to a risk of loss to the extent the customer returns the vehicle at the end of the lease term and the value of the vehicle is lower than the residual value estimated at contract inception.

At December 31, 2016, the estimated residual value of our leased vehicles at the end of the lease term was $23.6 billion. Depreciation reduces the carrying value of each leased asset in our operating lease portfolio over time from its original acquisition value to its expected residual value at the end of the lease term. We periodically perform a review of the adequacy of the depreciation rates. If we believe that the expected residual values for our leased assets have changed, we revise the depreciation rate to ensure that our net investment in operating leases will be adjusted to reflect our revised estimate of the expected residual value at the end of the lease term. Such adjustments to the depreciation rate would result in a change in the depreciation expense on the leased assets, which is recorded prospectively on a straight-line basis. The effect of a 1% change in our assumption regarding residual values would increase or decrease depreciation expense on the operating lease portfolio over the remaining term of the leases as follows:

	Impact to Depreciation Expense
Cars	$ 53
Trucks	52
Crossovers	131
Total	$ 236

In addition to estimating the residual value at lease termination, we also evaluate the carrying value of the operating lease assets, check for indicators of impairment and test for impairment to the extent necessary in accordance with applicable accounting standards. A leased asset is considered impaired if impairment indicators exist and the undiscounted expected future cash flows (including the expected residual value) are lower than the carrying value of the asset. We believe no impairment indicators existed during 2016, 2015 or 2014.

Goodwill The excess of the purchase price of the merger with GM over the fair value of the net assets acquired was recorded as goodwill, and was attributed to the North America reporting unit, which was our only reporting unit at that time. With the acquisition of the international operations, we added two additional reporting units: Latin America and Europe. The excess of the purchase price of the acquisition of the international operations over the fair value of the net assets acquired was all attributed to the Latin America reporting unit. We performed our annual goodwill impairment testing as of October 1, 2016 for each reporting unit.

For the North America reporting unit, which represents 92% of our goodwill balance, we determined the fair value with consideration to valuations under the income approach, weighted 75%, and the market approach, weighted 25%. The income approach evaluates the cash flow of the reporting unit over a specified time, discounted at an appropriate market rate to arrive at an indication of the most probable selling price. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimates of future performance. The market approach considers trading prices of securities issued by comparable companies as multiples of historical earnings and forecast earnings. The results of the first step of the impairment test indicated that the fair value exceeded the carrying value; therefore, it was not necessary to perform the second step analysis.

If actual market conditions are less favorable than those we and the industry have projected, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Income Taxes We account for income taxes on a separate return basis using an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between financial statements' carrying amounts of existing assets and liabilities and their respective tax basis, net operating loss and tax credit carryforwards.

We are subject to income tax in the U.S. and various other state and foreign jurisdictions. Since October 1, 2010, we have been included in GM's consolidated U.S. federal income tax returns. As referred to in Note 14 - "Income Taxes," we have a tax sharing agreement with GM for our U.S. operations.

In the ordinary course of business, there may be transactions, calculations, structures and filing positions where the ultimate tax outcome is uncertain. At any point in time, multiple tax years are subject to audit by various taxing jurisdictions and we record liabilities for estimated tax results based on the requirements of the accounting for uncertainty in income taxes. Management believes that the estimates it records are reasonable. However, due to expiring statutes of limitations, audits, settlements, changes in tax law or new authoritative rulings, no assurance can be given that the final outcome of these matters will be comparable to what was reflected in the historical income tax provisions and accruals. We may need to adjust our accrued tax assets or liabilities if actual results differ from estimated results or if we adjust the assumptions used in the computation of the estimated tax results in the future. These adjustments could materially impact the effective tax rate, earnings, accrued tax balances and cash.

The ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. The assessment regarding whether a valuation allowance is required or should be adjusted is based on an evaluation of possible sources of taxable income and also considers all available positive and negative evidence factors. Our accounting for deferred tax consequences represents our best estimate of future events. Changes in our current estimates, due to unanticipated market conditions or events, could have a material effect on our ability to utilize deferred tax assets.

Results of Operations

In our tabular presentation of the changes in results between financial periods, we provide the following information: (i) the amount of change excluding the impact of foreign currency translation ("FX"); (ii) the amount of the impact of foreign currency translation; and (iii) the total change. The amount of the impact of foreign currency translation is derived by translating current year results at the average of prior year exchange rates, and is driven by the change in the U.S. Dollar against the currencies used by our foreign operations. We believe the amount of change excluding the foreign currency translation impact facilitates a better comparison of results. In our discussion below, we discuss changes in relevant items excluding any foreign currency translation impact. Average balances are calculated using daily balances, where available. Otherwise average balances are calculated using monthly ending balances.

In June 2016, the United Kingdom ("U.K.") completed its referendum on continued membership in the European Union and voted to leave. This result did not have a material impact on the results of operations for the year ended December 31, 2016; however, this result has adversely impacted the British Pound and the uncertainty has put strain on the U.K. automotive industry. While we anticipate the impacts of Brexit to continue through 2017, we do not expect such impacts to have a material impact on our results of operations.

Year Ended December 31, 2016 compared to Year Ended December 31, 2015

Average Earning Assets

	Years Ended December 31,									
	2016			2015			2016 vs. 2015			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Average retail finance receivables	$ 19,783	$ 11,233	$ 31,016	$ 15,688	$ 11,509	$27,197	$ 4,732	$ (913)	$ 3,819	14.0%
Average commercial finance receivables	4,934	4,484	9,418	3,465	4,364	7,829	1,926	(337)	1,589	20.3%
Average finance receivables	24,717	15,717	40,434	19,153	15,873	35,026	6,658	(1,250)	5,408	15.4%
Average leased vehicles, net	27,787	161	27,948	13,033	57	13,090	14,932	(74)	14,858	113.5%
Average earning assets	$ 52,504	$ 15,878	$ 68,382	$ 32,186	$ 15,930	$48,116	$ 21,590	$ (1,324)	$ 20,266	42.1%
Retail finance receivables purchased	$ 11,509	$ 6,545	$ 18,054	$ 10,931	$ 6,606	$17,537	$ 1,129	$ (612)	$ 517	2.9%
Average new retail loan size (in dollars)	$ 28,226	$ 11,407		$ 26,523	$ 11,861					
Leased vehicles purchased	$ 25,151	$ 226	$ 25,377	$ 20,121	$ 78	$20,199	$ 5,233	$ (55)	$ 5,178	25.6%
Average new lease size (in dollars)	$ 37,540	$ 21,978		$ 36,627	$ 20,449					

Average finance receivables increased in the North America Segment as a result of the continued increase of our share of GM's business in that segment. Average finance receivables in the International Segment decreased solely due to the impact of foreign currency translation. The increase in average leased vehicles, net primarily resulted from our exclusive lease subvention arrangement in the U.S. with GM, which was implemented on a brand-by-brand basis between February and April 2015.

In the North America Segment, the average annual percentage rate for retail finance receivables purchased during 2016 decreased to 7.0% from 8.0% during the prior period, and the average new retail loan size increased. These changes are due primarily to the expansion of our prime lending program and our exclusive loan subvention arrangement in the U.S. with GM, resulting in higher volumes of originations of loans for new vehicles, which typically are for higher amounts and have lower contractual rates due to the rate subvention support provided by GM.

Revenue

	Years Ended December 31, 2016 North America	2016 International	2016 Total	2015 North America	2015 International	2015 Total	2016 vs. 2015 Change excluding FX	FX	Total change	%
Finance charge income										
Retail finance receivables	$ 1,826	$ 1,063	$ 2,889	$ 1,803	$ 1,174	$ 2,977	$ 3	$ (91)	$ (88)	(3.0)%
Commercial finance receivables	$ 156	$ 284	$ 440	$ 103	$ 301	$ 404	$ 63	$ (27)	$ 36	8.9 %
Leased vehicle income	$ 5,886	$ 39	$ 5,925	$ 2,794	$ 13	$ 2,807	$ 3,137	$ (19)	$ 3,118	111.1 %
Other income	$ 80	$ 224	$ 304	$ 77	$ 189	$ 266	$ 73	$ (35)	$ 38	14.3 %
Effective yield - retail finance receivables	9.2%	9.5%	9.3%	11.5%	10.2%	11.0%				
Effective yield - commercial finance receivables	3.2%	6.3%	4.7%	3.0%	6.9%	5.2%				

In the North America Segment, finance charge income on retail finance receivables increased slightly for 2016, compared to 2015, as the growth in the portfolio was substantially offset by a decrease in effective yield. The effective yield on our retail finance receivables decreased due primarily to a decrease in the average annual percentage rate on new originations as we have increased our prime lending. The effective yield represents finance charges and fees recorded in earnings during the period as a percentage of average retail finance receivables. The effective yield, as a percentage of average retail finance receivables, is higher than the contractual rates of our auto finance contracts primarily because the effective yield includes, in addition to the contractual rates and fees, the impact of rate subvention provided by GM.

The increase in leased vehicle income reflects the increase in the size of the leased asset portfolio.

Costs and Expenses

	Years Ended December 31, 2016 North America	2016 International	2016 Total	2015 North America	2015 International	2015 Total	2016 vs. 2015 Change excluding FX	FX	Total change	%
Operating expenses	$ 891	$ 599	$ 1,490	$ 735	$ 558	$ 1,293	$ 229	$ (32)	$ 197	15.2%
Leased vehicle expenses	$ 4,499	$ 30	$ 4,529	$ 2,190	$ 10	$ 2,200	$ 2,342	$ (13)	$ 2,329	105.9%
Provision for loan losses	$ 566	$ 103	$ 669	$ 466	$ 158	$ 624	$ 52	$ (7)	$ 45	7.2%
Interest expense[(a)]	$ 1,481	$ 627	$ 2,108	$ 921	$ 695	$ 1,616	$ 544	$ (52)	$ 492	30.4%
Average debt outstanding	$ 50,216	$ 13,944	$ 64,160	$ 31,130	$ 13,489	$ 44,619	$ 20,562	$ (1,021)	$ 19,541	43.8%
Effective rate of interest on debt	2.9%	4.5%	3.3%	3.0%	5.2%	3.6%				

____

(a) Amounts do not reflect allocation of senior note interest expense, and therefore do not agree with amounts presented in Note 16 - "Segment Reporting and Geographic Information" in our consolidated financial statements in this Form 10-K.

Operating Expenses The increase in operating expenses relates to the growth in earning assets and investments to support the prime lending program and enhance lease origination and servicing capabilities in the North America Segment. Operating expenses as a percentage of average earning assets decreased to 2.2% for 2016 from 2.7% for 2015, primarily due to efficiency gains achieved through higher earning asset levels.

Leased Vehicle Expenses Leased vehicle expenses, which are primarily comprised of depreciation of leased vehicles, increased due to the growth of the leased asset portfolio.

Provision for Loan losses The provision for retail loan losses increased due primarily to the growth in the retail finance receivables portfolio. As a percentage of average retail finance receivables, the provision for retail loan losses was 2.1% and 2.3% for 2016 and 2015. The provision for commercial loan losses was insignificant for 2016 and 2015.

Interest Expense Interest expense increased due primarily to an increase in the average debt outstanding resulting from growth in the loan and lease portfolios, partially offset by a decrease in the effective rate of interest on debt.

Taxes Our consolidated effective income tax rate was 20.9% and 26.5% of income before income taxes and equity income for 2016 and 2015. The decrease in the effective tax rate is due primarily to the recognition of currency losses arising from the ownership realignment of certain wholly-owned foreign subsidiaries and an increase in certain U.S. federal tax credits.

Other Comprehensive Loss

Foreign Currency Translation Adjustment Foreign currency translation adjustments included in other comprehensive loss were $144 million and $669 million for 2016 and 2015. Most of the international operations use functional currencies other than the U.S. Dollar. Translation adjustments result from changes in the values of our international currency-denominated assets and liabilities as the value of the U.S. Dollar changes in relation to international currencies.

Credit Quality

Retail Finance Receivables	**December 31, 2016**			**December 31, 2015**		
	North America	**International**	**Total**	**North America**	**International**	**Total**
Retail finance receivables, net of fees	$ 21,786	$ 11,124	$ 32,910	$ 18,148	$ 10,976	$ 29,124
Less: allowance for loan losses	(666)	(127)	(793)	(618)	(117)	(735)
Retail finance receivables, net	$ 21,120	$ 10,997	$ 32,117	$ 17,530	$ 10,859	$ 28,389
Number of outstanding contracts	1,097,207	1,611,276	2,708,483	955,094	1,563,831	2,518,925
Average amount of outstanding contracts (in dollars)[(a)]	$ 19,856	$ 6,904	$ 12,151	$ 19,001	$ 7,019	$ 11,562
Allowance for loan losses as a percentage of retail finance receivables, net of fees	3.1%	1.1%	2.4%	3.4%	1.1%	2.5%

____

(a) Average amount of outstanding contracts consists of retail finance receivables, net of fees, divided by number of outstanding contracts. The decrease in the average amount of outstanding contracts in the International Segment is due primarily to changes in foreign currency exchange rates.

At December 31, 2016, the allowance for loan losses for the North America Segment as a percentage of retail finance receivables, net of fees, decreased from the level at December 31, 2015 consistent with the improved credit mix in our portfolio resulting from our expansion of prime lending.

Delinquency The following is a summary of the contractual amounts of delinquent retail finance receivables, which is not materially different than the recorded investment, that are (i) more than 30 days delinquent, but not yet in repossession, and (ii) in repossession, but not yet charged off:

	December 31, 2016				**December 31, 2015**			
	North America	**International**	**Total**	**Percent of Contractual Amount Due**	**North America**	**International**	**Total**	**Percent of Contractual Amount Due**
31 - 60 days	$ 1,150	$ 85	$ 1,235	3.7%	$ 1,150	$ 87	$ 1,237	4.2%
Greater than 60 days	432	110	542	1.7	389	92	481	1.6
Total finance receivables more than 30 days delinquent	1,582	195	1,777	5.4	1,539	179	1,718	5.8
In repossession	43	8	51	0.1	42	4	46	0.2
Total finance receivables more than 30 days delinquent or in repossession	$ 1,625	$ 203	$ 1,828	5.5%	$ 1,581	$ 183	$ 1,764	6.0%

Deferrals In accordance with our policies and guidelines in the North America Segment, we, at times, offer payment deferrals to retail consumers, whereby the borrower is allowed to move up to two delinquent payments to the end of the loan generally by paying a fee (approximately the interest portion of the payment deferred, except where state law provides for a lesser amount). Our policies and guidelines limit the number and frequency of deferments that may be granted. Additionally, we generally limit the granting of deferments on new accounts until a requisite number of payments have been received. Contracts receiving a payment deferral as an average quarterly percentage of average retail finance receivables outstanding were 5.1% and 5.9% for 2016 and 2015. Deferrals in the International Segment are insignificant.

Troubled Debt Restructurings Refer to Note 4 - "Finance Receivables" to our consolidated financial statements for further discussion of TDRs.

Net Charge-offs The following table presents charge-off data with respect to our retail finance receivables portfolio:

	Years Ended December 31,								
	2016			2015			2014		
	North America	International	Total	North America	International	Total	North America	International	Total
Charge-offs	$ 1,019	$ 152	$ 1,171	$ 859	$ 137	$ 996	$ 776	$ 138	$ 914
Less: recoveries	(508)	(51)	(559)	(439)	(47)	(486)	(417)	(53)	(470)
Net charge-offs	$ 511	$ 101	$ 612	$ 420	$ 90	$ 510	$ 359	$ 85	$ 444
Net charge-off percentage[(a)]	2.6%	0.9%	2.0%	2.7%	0.8%	1.9%	2.9%	0.7%	1.8%
Recovery percentage[(b)]	52.7%			56.4%			57.3%		

____
(a) Net charge-off percentage is calculated as a percentage of average retail finance receivables.
(b) Recovery percentage is a percentage of gross repossession charge-offs. Charge-offs for the International Segment primarily include the write-down of receivables to net realizable value. As a result, a calculation of recoveries as a percentage of gross charge-offs is not meaningful.

Commercial Finance Receivables	December 31, 2016			December 31, 2015		
	North America	International	Total	North America	International	Total
Commercial finance receivables, net of fees	$ 6,527	$ 4,596	$ 11,123	$ 4,051	$ 4,388	$ 8,439
Less: allowance for loan losses	(30)	(20)	(50)	(23)	(24)	(47)
Total commercial finance receivables, net	$ 6,497	$ 4,576	$ 11,073	$ 4,028	$ 4,364	$ 8,392
Number of dealers	792	2,150	2,942	656	2,139	2,795
Average carrying amount per dealer	$ 8	$ 2	$ 4	$ 6	$ 2	$ 3
Allowance for loan losses as a percentage of commercial finance receivables, net of fees	0.5%	0.4%	0.4%	0.6%	0.5%	0.6%

There were insignificant charge-offs of commercial finance receivables during 2016, 2015, and 2014. At December 31, 2016 and 2015, substantially all of our commercial finance receivables were current with respect to payment status and none were classified as TDRs.

Leased Vehicles At December 31, 2016 and 2015, 98.8% and 98.7% of our operating leases were current with respect to payment status.

Liquidity and Capital Resources

General Our primary sources of cash are finance charge income, leasing income and proceeds from the sale of terminated leased vehicles, servicing fees, net distributions from secured debt facilities, including securitizations, secured and unsecured borrowings and collections and recoveries on finance receivables. Our primary uses of cash are purchases of retail finance receivables and leased vehicles, the funding of commercial finance receivables, repayment of secured and unsecured debt, funding credit enhancement requirements in connection with securitizations and secured debt facilities, operating expenses and interest costs.

In the North America Segment, our purchase and funding of retail and commercial finance receivables and leased vehicles are financed initially utilizing cash and borrowings on our secured credit facilities. Subsequently, our strategy is to obtain long-term financing for finance receivables and leased vehicles through securitization transactions and the issuance of unsecured debt.

In the International Segment, our purchase and funding of finance receivables are typically financed with borrowings on secured and unsecured credit facilities. In certain countries where the debt capital and securitization markets are sufficiently developed, such as in Germany and the U.K., we obtain long-term financing through securitization transactions. In addition, we raise unsecured debt in the international capital markets through the issuance of notes under our Euro medium term note program and accept deposits from retail banking customers in Germany.

Cash Flow During 2016, net cash provided by operating activities increased compared to 2015 due primarily to increased lease vehicle income resulting from growth in the leased vehicle portfolio, partially offset by increased interest expense and increased operating expenses.

During 2016, net cash used in investing activities increased compared to 2015 due to an increase in purchases of leased vehicles of $4.3 billion and an increase in net fundings of commercial finance receivables of $2.0 billion, partially offset by increased collections on retail finance receivables of $1.4 billion, and an increase in proceeds received on terminated leases of $1.5 billion. Additionally, $924 million of net cash was used for the purchase of our equity interest in SAIC-GMAC in 2015.

During 2016, net cash provided by financing activities increased compared to 2015 due primarily to an increase in borrowings, net of repayments, of $767 million offset by a $649 million capital contribution received from GM in 2015.

Liquidity	December 31, 2016	December 31, 2015
Cash and cash equivalents[(a)]	$ 3,201	$ 3,061
Borrowing capacity on unpledged eligible assets	9,506	9,697
Borrowing capacity on committed unsecured lines of credit	445	904
Borrowing capacity on the Junior Subordinated Revolving Credit Facility	1,000	1,000
Available liquidity	$ 14,152	$ 14,662

____

(a) Includes $839 million and $756 million in unrestricted cash outside of the U.S. at December 31, 2016 and 2015. This cash is considered to be indefinitely invested based on specific plans for reinvestment of these earnings.

During 2016 available liquidity decreased due primarily to increased credit facility utilization due to asset growth.

We have the ability to borrow up to $1.0 billion under GM's three-year, $4.0 billion unsecured revolving credit facility and up to $3.0 billion under GM's five-year, $10.5 billion unsecured revolving credit facility, subject to available capacity. Our borrowings under GM's facilities are limited by GM's ability to borrow the entire amount available under the facilities. Therefore, we may be able to borrow up to $4.0 billion in total or may be unable to borrow depending on GM's borrowing activity. If we do borrow under these facilities, we expect such borrowings would be short-term in nature and, except in extraordinary circumstances, would not be used to fund our operating activities in the ordinary course of business. Neither we, nor any of our subsidiaries, guarantee any obligations under these facilities and none of our assets secure these facilities. Liquidity available to us under the GM unsecured revolving credit facilities is not included in the table above. At December 31, 2016, we had no amounts borrowed under either of GM's unsecured revolving credit facilities.

Credit Ratings We receive ratings from four independent credit rating agencies: DBRS Limited, Fitch Rating ("Fitch"), Moody's Investor Service ("Moody's") and Standard & Poor's ("S&P"). The credit ratings assigned to us from all the credit rating agencies are closely associated with their opinions on GM. The following table summarizes our credit ratings at February 1, 2017:

	Company Rating	Bond Rating	Outlook
DBRS Limited	BBB	BBB	Stable
Fitch	BBB-	BBB-	Positive
Moody's	Baa3	Baa3	Stable
S&P	BBB	BBB	Stable

Ratings actions taken by each of the credit rating agencies from January 1, 2016 through February 1, 2017 were as follows: (i) DBRS Limited upgraded our company rating and bond rating to BBB from BBB(low) and revised their outlook to Stable from Positive in March 2016; (ii) Fitch revised their outlook to Positive from Stable in June 2016; (iii) Moody's revised their outlook to Positive from Stable in February 2016, and upgraded our company rating and bond rating to Baa3 from Ba1 and revised their outlook to Stable in January 2017; and (iv) S&P revised their outlook to Positive from Stable in April 2016, and upgraded our company and bond rating to BBB from BBB- and revised their outlook to Stable in January 2017.

Credit Facilities In the normal course of business, in addition to using our available cash, we utilize borrowings under our credit facilities, which may be secured and/or structured as securitizations, or may be unsecured, and we repay these borrowings as appropriate under our liquidity management strategy.

At December 31, 2016, credit facilities consist of the following:

Facility Type	Facility Amount	Advances Outstanding
Revolving retail asset-secured facilities[(a)]	$ 21,473	$ 8,981
Revolving commercial asset-secured facilities[(b)]	4,305	836
Total secured	25,778	9,817
Unsecured committed facilities[(c)]	1,431	986
Unsecured uncommitted facilities[(d)]	2,368	2,368
Total unsecured	3,799	3,354
Junior Subordinated Revolving Credit Facility	1,000	—
Total	$ 30,577	$ 13,171

____

(a) *Includes committed and uncommitted revolving credit facilities backed by retail finance receivables and leases. The financial institutions providing the uncommitted facilities are not contractually obligated to advance funds under them. We had $329 million in advances outstanding and $633 million in unused borrowing capacity on these facilities at December 31, 2016.*
(b) *Includes revolving credit facilities backed by loans to dealers for floorplan financing.*
(c) *Does not include $4.0 billion in liquidity available to us under GM's unsecured revolving credit facilities.*
(d) *The financial institutions providing the uncommitted facilities are not contractually obligated to advance funds under them. We had $1.0 billion in unused borrowing capacity on these facilities at December 31, 2016.*

Refer to Note 8 - "Debt" to our consolidated financial statements for further discussion of the terms of our revolving credit facilities.

Securitization Notes Payable We periodically finance our retail and commercial finance receivables and leases through public and private term securitization transactions, where the securitization markets are sufficiently developed. A summary of securitization notes payable is as follows:

Year of Transaction	Maturity Date [(a)]	Original Note Issuance [(b)]	Note Balance At December 31, 2016
2012	February 2020 - May 2020	$ 2,300	291
2013	July 2020 - October 2021	$ 5,655	1,054
2014	April 2019 - September 2022	$ 10,005	3,370
2015	July 2019 - December 2023	$ 14,348	9,056
2016	April 2018 - November 2024	$ 17,786	15,745
Total active securitizations			$ 29,516
Debt issuance costs			(63)
			$ 29,453

____

(a) *Maturity dates represent legal final maturity of issued notes. The notes are expected to be paid based on amortization of the finance receivables and leases pledged.*
(b) *At historical foreign currency exchange rates at the time of issuance.*

Our securitizations utilize special purpose entities which are also variable interest entities ("VIEs") that meet the requirements to be consolidated in our financial statements. See Note 9 - "Variable Interest Entities" to our consolidated financial statements for further discussion.

Senior Notes, Retail Customer Deposits and Other Unsecured Debt We periodically access the debt capital markets through the issuance of senior unsecured notes, predominantly from registered shelves in the U.S. and Europe. At December 31, 2016, the par value of our outstanding senior notes was $29.0 billion.

We issue other unsecured debt through commercial paper offerings and other non-bank funding sources primarily in the International Segment. At December 31, 2016, we had $780 million of this type of unsecured debt outstanding. During 2015, we began accepting deposits from retail banking customers in Germany. At December 31, 2016, the outstanding balance of these deposits was $1.9 billion, of which 42% were overnight deposits.

Support Agreement In September 2016, in order to maintain our leverage ratio in line with the applicable ratio set in the GM Support Agreement, we borrowed $415 million on the Junior Subordinated Revolving Credit Facility. We repaid this borrowing plus interest during the fourth quarter of 2016. At December 31, 2016, our earning assets leverage ratio was 10.4 and the applicable ratio was 11.5. Refer to Note 2 - "Related Party Transactions" to our consolidated financial statements for more information.

Contractual Obligations The following table presents the expected scheduled principal and interest payments under our contractual debt and lease obligations:

	Years Ending December 31,						
	2017	2018	2019	2020	2021	Thereafter	Total
Operating leases	$ 38	$ 45	$ 41	$ 37	$ 35	$ 161	$ 357
Secured debt	21,268	11,573	4,880	1,264	348	—	39,333
Unsecured debt	7,328	4,167	6,351	4,650	4,750	7,791	35,037
Interest payments[(a)]	1,624	1,204	799	573	376	793	5,369
	$ 30,258	$ 16,989	$ 12,071	$ 6,524	$ 5,509	$ 8,745	$ 80,096

____
(a) *Interest payments were determined using the interest rate in effect at December 31, 2016 for floating rate debt and the contractual rates for fixed rate debt. Interest payments on floating rate tranches of the securitization notes payable were converted to a fixed rate based on the floating rate plus any expected hedge payments.*

At December 31, 2016, we had liabilities associated with uncertain tax positions of $142 million, including penalties and interest. The table above does not include these liabilities since it is impracticable to estimate the future cash flows associated with these amounts.

Under our tax sharing arrangement with GM, we are responsible for our tax liabilities as if we filed separate returns. As of December 31, 2016, we have no accrued liability to GM. Refer to Note 14 - "Income Taxes" to our consolidated financial statements for more information.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

Overview We are exposed to a variety of risks in the normal course of our business. Our financial condition depends on the extent to which we effectively identify, assess, monitor and manage these risks. The principal types of risk to our business include:

- Market risk - the possibility that changes in interest and currency exchange rates will adversely affect our cash flow and economic value;
- Counterparty risk - the possibility that a counterparty may default on a derivative contract or cash deposit or will fail to meet its lending commitments to us;
- Credit risk - the possibility of loss from a customer's failure to make payments according to contract terms;
- Residual risk - the possibility that the actual proceeds we receive at lease termination will be lower than our projections or return volumes will be higher than our projections;
- Liquidity risk - the possibility that we may be unable to meet all of our current and future obligations in a timely manner; and
- Operating risk - the possibility of errors relating to transaction processing and systems, actions that could result in compliance deficiencies with regulatory standards or contractual obligations and the possibility of fraud by our employees or outside persons.

We manage each of these types of risk in the context of its contribution to our overall global risks. We make business decisions on a risk-adjusted basis and price our services consistent with these risks. A discussion of market risk (including interest and currency rate risk), counterparty risk, and operating risk follows.

Market Risk We seek to minimize volatility in our earnings from changes in interest rates and foreign currency exchange rates. Our strategies to manage market risk are approved by our International and North America Asset Liability Committees (“ALCO”).

In 2015, we expanded our ALCO to incorporate more asset liability management strategies as the composition of sources of debt evolved to support growth in our earning assets. Our Corporate Treasury group is responsible for the development of our interest rate and liquidity management policies as presented to the ALCO.

Interest Rate Risk We depend on accessing the capital markets to fund asset originations. We are exposed to interest rate risks as our financial assets and liabilities have different behavioral characteristics that may impact our financial performance. These differences may include tenor, yield, re-pricing timing, and prepayment expectations.

Our assets are primarily comprised of fixed-rate retail installment loans and operating lease contracts under which customers typically make equal monthly payments over the life of the contracts. Our commercial finance receivables are primarily originated to finance new and used vehicles held in dealers' inventory and generally require dealers to pay a floating rate of interest. These balances expand and contract with car sales and are revolving in nature.

Our debt includes long-term unsecured debt and securitization notes payable. Our senior note unsecured debt issuances have tenors of up to ten years. The majority of these debt instruments are fixed-rate and pay equal interest payments over the life of the debt and a single principal payment at maturity. Our securitization notes payable are primarily fixed-rate and amortize as the underlying assets pay down.

We manage interest rate risk with the objective of optimizing earnings performance while avoiding excessive financial risks and market-related earnings volatility. We measure and monitor interest rate risk primarily through key risk metrics such as duration gap, economic value of equity sensitivity and net interest income sensitivity. When appropriate, we use derivatives to manage interest rate risk; however, we do not engage in any speculative trading in derivatives.

Swap Agreements We utilize interest rate swap agreements to convert certain floating rate exposures to fixed rate or certain fixed-rate exposures to floating rate in order to manage our interest rate exposure within levels established by the ALCO.

Management monitors our hedging activities to ensure that the value of derivative financial instruments, their correlation to the contracts being hedged and the amounts being hedged continue to provide effective protection against interest rate risk. However, there can be no assurance that our strategies will be effective in minimizing interest rate risk or that increases in interest rates will not have an adverse effect on our profitability.

The following table provides information about our interest rate-sensitive financial instruments by expected maturity date as of December 31, 2016:

	2017	2018	2019	2020	2021	Thereafter	Fair Value
Assets							
Retail finance receivables							
Principal amounts	$ 12,978	$ 9,169	$ 5,866	$ 3,189	$ 1,425	$ 559	$ 32,067
Weighted-average annual percentage rate	8.26%	8.17%	8.10%	8.05%	8.28%	10.51%	
Commercial finance receivables							
Principal amounts	$ 10,754	$ 116	$ 115	$ 107	$ 161	$ 144	$ 11,073
Weighted-average annual percentage rate	5.07%	4.13%	4.13%	4.17%	4.20%	4.16%	
Interest rate swaps							
Notional amounts	$ 2,626	$ 5,891	$ 2,830	$ 851	$ 10	$ 1	$ 67
Average pay rate	1.27%	1.27%	1.18%	1.11%	4.38%	3.05%	
Average receive rate	1.49%	1.77%	1.72%	1.67%	5.85%	3.86%	
Liabilities							
Secured debt							
Revolving credit facilities							
Principal amounts	$ 8,582	$ 873	$ 314	$ 41	$ 7	$ —	$ 9,812
Weighted-average interest rate	2.60%	5.56%	5.78%	9.48%	8.65%	—%	
Securitization notes payable							
Principal amounts	$ 12,686	$ 10,700	$ 4,566	$ 1,223	$ 341	$ —	$ 29,545
Weighted-average interest rate	1.94%	2.10%	2.38%	2.85%	2.80%	—%	
Unsecured debt							
Senior notes							
Principal amounts	$ 2,854	$ 3,086	$ 5,877	$ 4,650	$ 4,750	$ 7,791	$ 29,182
Weighted-average interest rate	3.48%	3.08%	2.65%	3.02%	3.83%	3.81%	
Credit facilities							
Principal amounts	$ 2,633	$ 433	$ 288	$ —	$ —	$ —	$ 3,354
Weighted-average interest rate	7.59%	6.42%	3.08%	—%	—%	—%	
Retail customer deposits							
Principal amounts	$ 1,342	$ 400	$ 153	$ —	$ —	$ —	$ 1,902
Weighted-average interest rate	1.21%	1.39%	1.17%	—%	—%	—%	
Other unsecured debt							
Principal amounts	$ 499	$ 248	$ 33	$ —	$ —	$ —	$ 782
Weighted-average interest rate	12.52%	13.22%	11.18%	—%	—%	—%	
Interest rate swaps							
Notional amounts	$ 1,299	$ 5,410	$ 2,219	$ 1,631	$ 3,558	$ 3,200	$ 315
Average pay rate	2.45%	3.25%	4.03%	4.62%	3.83%	5.63%	
Average receive rate	2.37%	2.90%	3.40%	3.68%	3.42%	4.58%	

The impact of the discount rate, prepayment and credit loss assumptions is consistent with assumptions applied to interest rate sensitive assets and liabilities reported at December 31, 2015. Finance receivables, both retail and commercial, are estimated to be realized by us in future periods using discount rate, prepayment and credit loss assumptions similar to our historical experience. Notional amounts on interest rate swap agreements are based on contractual terms. Revolving credit facilities and securitization notes payable amounts have been classified based on expected payoff. Senior notes, credit facilities, retail customer deposits and other unsecured debt principal amounts have been classified based on maturity.

Interest rates are primarily fixed on retail finance receivables and floating on commercial finance receivables. Interest rates on securitization notes payable and unsecured senior notes are primarily fixed. Interest rates are primarily floating on credit facilities, deposits and other unsecured debt.

The notional amounts of interest rate swap agreements, which are used to calculate the contractual payments to be exchanged under the contracts, represent average amounts that will be outstanding for each of the years included in the table. Notional amounts do not represent amounts exchanged by parties and, thus, are not a measure of our exposure to loss through our use of these agreements.

Foreign Currency Exchange Rate Risk We primarily finance receivables and lease assets with debt in the same currency, minimizing exposure to exchange rate movements. When a different currency is used, we may use foreign currency derivatives to minimize any impact to earnings. Exchange rate movements can impact our net investment in foreign subsidiaries, which impacts our tangible equity through other comprehensive income/loss.

The following table summarizes the amounts of foreign currency translation and transaction and remeasurement losses:

	Years Ended December 31,		
	2016	2015	2014
Foreign currency translation losses recorded in accumulated other comprehensive loss	$ 144	$ 669	$ 430
Losses resulting from foreign currency transactions and remeasurement recorded in earnings	$ 167	$ 58	$ 170
Gains resulting from foreign currency exchange swaps recorded in earnings	(154)	(42)	(163)
Net losses resulting from foreign currency exchange recorded in earnings	$ 13	$ 16	$ 7

Most of the international operations use functional currencies other than the U.S. Dollar. Translation adjustments result from changes in the values of our international currency-denominated assets and liabilities as the value of the U.S. Dollar changes in relation to international currencies. The foreign currency translation losses in 2016 were primarily due to decreases in the values of the British Pound and the Euro in relation to the U.S. Dollar. The foreign currency translation losses in 2015 were due primarily to decreases in the values of the Brazilian Real, the Canadian Dollar and the Euro in relation to the U.S Dollar.

Counterparty Risk Counterparty risk relates to the financial loss we could incur if an obligor or counterparty to a transaction is unable to meet its financial obligations. Typical sources of exposure include balances maintained in bank accounts, investments, and derivative contracts. Investments are typically securities representing high quality monetary instruments which are easily accessible and derivative contracts are used for managing interest rate and foreign currency exchange rate risk. We, together with GM, establish exposure limits for each counterparty to minimize risk and provide counterparty diversification.

We maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. We enter into arrangements with individual counterparties that we believe are creditworthy and generally settle on a net basis. In addition, we perform a quarterly assessment of our counterparty credit risk, including a review of credit ratings, credit default swap rates and potential nonperformance of the counterparty.

Operating Risk We operate in many locations and rely on the abilities of our employees and computer systems to process a large number of transactions. Improper employee actions, improper operation of systems, or unforeseen business interruptions could result in financial loss, regulatory action and damage to our reputation, and breach of contractual obligations. To address this risk, we maintain internal control processes that identify transaction authorization requirements, safeguard assets from misuse or theft, protect the reliability of financial and other data, and minimize the impact of a business interruption on our customers. We also maintain system controls to maintain the accuracy of information about our operations. These controls are designed to manage operating risk throughout our operation.

Table of Contents

GENERAL MOTORS FINANCIAL COMPANY, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of

General Motors Financial Company, Inc.:

We have audited the accompanying consolidated balance sheets of General Motors Financial Company, Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of General Motors Financial Company, Inc. and subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
Fort Worth, Texas
February 7, 2017

GENERAL MOTORS FINANCIAL COMPANY, INC.

Item 8. Financial Statements and Supplementary Data

CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	December 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	$ 3,201	$ 3,061
Finance receivables, net (Note 4; Note 9 VIEs)	43,190	36,781
Leased vehicles, net (Note 5; Note 9 VIEs)	34,526	20,172
Goodwill (Note 6)	1,196	1,189
Equity in net assets of non-consolidated affiliates (Note 7)	944	986
Property and equipment, net of accumulated depreciation of $127 and $91	279	219
Deferred income taxes (Note 14)	274	231
Related party receivables (Note 2)	510	573
Other assets (Note 9 VIEs)	3,645	2,692
Total assets	$ 87,765	$ 65,904
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Secured debt (Note 8; Note 9 VIEs)	$ 39,270	$ 30,689
Unsecured debt (Note 8)	34,606	23,657
Accounts payable and accrued expenses	1,474	1,218
Deferred income	2,365	1,454
Deferred income taxes (Note 14)	220	129
Related party payables (Note 2)	400	362
Other liabilities	737	343
Total liabilities	79,072	57,852
Commitments and contingencies (Note 11)		
Shareholder's equity		
Common stock, $1.00 par value per share, 1,000 shares authorized and 505 shares issued	—	—
Additional paid-in capital	6,505	6,484
Accumulated other comprehensive loss (Note 17)	(1,238)	(1,104)
Retained earnings	3,426	2,672
Total shareholder's equity	8,693	8,052
Total liabilities and shareholder's equity	$ 87,765	$ 65,904

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2016	2015	2014
Revenue			
Finance charge income	$ 3,329	$ 3,381	$ 3,475
Leased vehicle income	5,925	2,807	1,090
Other income	304	266	289
Total revenue	9,558	6,454	4,854
Costs and expenses			
Salaries and benefits	853	726	614
Other operating expenses	637	567	548
Total operating expenses	1,490	1,293	1,162
Leased vehicle expenses	4,529	2,200	847
Provision for loan losses	669	624	604
Interest expense	2,108	1,616	1,426
Total costs and expenses	8,796	5,733	4,039
Equity income (Note 7)	151	116	—
Income before income taxes	913	837	815
Income tax provision (Note 14)	159	191	278
Net income	754	646	537
Other comprehensive loss, net of tax			
Unrealized gain on cash flow hedges, net of income tax expense of $11	17	—	—
Defined benefit plans, net of income tax benefit of $3, $1 and $5	(7)	(2)	(14)
Foreign currency translation adjustment, net of income tax expense (benefit) of $17, $(1) and $(1)	(144)	(669)	(430)
Other comprehensive loss, net of tax	(134)	(671)	(444)
Comprehensive income (loss)	$ 620	$ (25)	$ 93

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(dollars in millions)

	Years Ended December 31,		
	2016	2015	2014
Common stock shares			
Balance at the beginning of period	505	505	502
Common stock issued	—	—	3
Balance at the end of period	505	505	505
Common stock amount			
Balance at the beginning of period	$ —	$ —	$ —
Common stock issued	—	—	—
Balance at the end of period	$ —	$ —	$ —
Additional paid-in capital			
Balance at the beginning of period	$ 6,484	$ 5,799	$ 4,785
Stock-based compensation expense	21	35	18
Capital contributions from related party	—	649	996
Differences between tax payments due under consolidated return and separate return basis	—	1	—
Balance at the end of period	$ 6,505	$ 6,484	$ 5,799
Accumulated other comprehensive loss			
Balance at the beginning of period	$ (1,104)	$ (433)	$ 11
Other comprehensive loss, net of tax	(134)	(671)	(444)
Balance at the end of period	$ (1,238)	$ (1,104)	$ (433)
Retained earnings			
Balance at the beginning of period	$ 2,672	$ 2,026	$ 1,489
Net income	754	646	537
Balance at the end of period	$ 3,426	$ 2,672	$ 2,026

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2016	**2015**	**2014**
Cash flows from operating activities			
Net income	$ 754	$ 646	$ 537
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	4,839	2,403	992
Accretion and amortization of loan and leasing fees	(1,172)	(609)	(363)
Amortization of carrying value adjustment	(29)	(149)	(234)
Undistributed earnings of non-consolidated affiliates, net	(22)	(116)	—
Provision for loan losses	669	624	604
Deferred income taxes	42	132	(83)
Stock-based compensation expense	25	36	19
Other operating activities	1	(37)	182
Changes in assets and liabilities, net of assets and liabilities acquired:			
Other assets	(443)	(375)	(85)
Accounts payable and accrued expenses	214	282	133
Taxes payable	(2)	(20)	(63)
Related party taxes payable	—	(636)	(7)
Related party payables	5	(13)	5
Net cash provided by operating activities	4,881	2,168	1,637
Cash flows from investing activities			
Purchases of retail finance receivables, net	(17,796)	(17,517)	(14,749)
Principal collections and recoveries on retail finance receivables	13,172	11,726	10,860
Net funding of commercial finance receivables	(2,981)	(1,017)	(1,898)
Purchases of leased vehicles, net	(19,612)	(15,337)	(4,882)
Proceeds from termination of leased vehicles	2,557	1,096	533
Acquisition of international operations	—	(1,049)	(46)
Disposition of equity interest	—	125	—
Purchases of property and equipment	(107)	(90)	(52)
Other investing activities	(7)	30	(2)
Net cash used in investing activities	(24,774)	(22,033)	(10,236)
Cash flows from financing activities			
Net change in debt (original maturities less than three months)	780	1,147	470
Borrowings and issuance of secured debt	29,421	22,385	21,080
Payments on secured debt	(20,266)	(15,178)	(16,890)
Borrowings and issuance of unsecured debt	13,282	12,977	7,174
Payments on unsecured debt	(2,837)	(1,709)	(1,889)
Borrowings on related party line of credit	418	—	—
Payments on related party line of credit	(418)	—	—
Capital contributions	—	649	996
Debt issuance costs	(146)	(155)	(127)
Other	—	1	—
Net cash provided by financing activities	20,234	20,117	10,814
Net increase in cash, cash equivalents and restricted cash	341	252	2,215
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(41)	(295)	(201)
Cash, cash equivalents and restricted cash at beginning of period	5,002	5,045	3,031
Cash, cash equivalents and restricted cash at end of period	$ 5,302	$ 5,002	$ 5,045

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet:

	December 31, 2016	**December 31, 2015**
Cash and cash equivalents	$ 3,201	$ 3,061
Restricted cash included in other assets	2,101	1,941
Total cash, cash equivalents and restricted cash as presented in the consolidated statements of cash flows	$ 5,302	$ 5,002

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

History and Operations We were formed on August 1, 1986 and have been a wholly-owned subsidiary of GM since October 2010. We acquired Ally Financial's auto finance and financial services operations in Europe and Latin America in 2013. Additionally, on January 2, 2015, we acquired an equity interest in SAIC-GMAC, a joint venture that conducts business in China, from Ally Financial.

Basis of Presentation The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries, including certain special-purpose financing entities utilized in secured financing transactions, which are considered VIEs. All intercompany transactions and accounts have been eliminated in consolidation. Except as otherwise specified, dollar amounts presented within tables are stated in millions.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. These estimates include, among other things, the determination of the allowance for loan losses on finance receivables, estimated residual value of leased vehicles, goodwill and income taxes.

Generally, the financial statements of entities that operate outside of the U.S. are measured using the local currency as the functional currency. All assets and liabilities of the foreign subsidiaries are translated into U.S. dollars at period-end exchange rates and the results of operations and cash flows are determined using approximate weighted-average exchange rates for the period. Translation adjustments are related to the foreign subsidiaries using local currency as their functional currency and are reported as a separate component of accumulated other comprehensive income/loss. Foreign currency transaction gains or losses are recorded directly to the consolidated statements of income and comprehensive income, regardless of whether such amounts are realized or unrealized. We may enter into foreign currency derivatives to mitigate our exposure to changes in foreign currency exchange rates.

Net Presentation of Cash Flows on Commercial Finance Receivables and Related Debt Our commercial finance receivables are primarily comprised of floorplan financing, which are loans to dealers to finance vehicle inventory, also known as wholesale or inventory financing. In our experience, these loans are typically repaid in less than 90 days of when the credit is extended. Furthermore, we typically have the unilateral ability to call the loans and receive payment within 60 days of the call. Therefore, the presentation of the cash flows related to commercial finance receivables are reflected on the consolidated statements of cash flows as "Net funding of commercial finance receivables."

We have revolving debt agreements to finance our commercial lending activities. The revolving period of these agreements ranges from 6 to 24 months; however, the terms of these financing agreements require that a borrowing base of eligible floorplan receivables, within certain concentration limits, must be maintained in sufficient amounts to support advances. When a dealer repays a floorplan receivable to us, either the amount advanced against such receivables must be repaid by us or else the equivalent amount in new receivables must be added to the borrowing base. Despite the revolving term exceeding 90 days, the actual term for repayment of advances under these agreements is when we receive repayment from the dealers, which is typically within 90 days of when the credit is extended. Therefore, the cash flows related to these revolving debt agreements are reflected on the consolidated statements of cash flows as “Net change in debt (original maturities less than three months).”

Cash Equivalents Cash equivalents are defined as short-term, highly liquid securities with original maturities of 90 days or less.

Retail Finance Receivables and the Allowance for Loan Losses Our retail finance receivables portfolio consists of smaller-balance, homogeneous loans which are carried at amortized cost, net of allowance for loan losses. These loans are divided among pools based on common risk characteristics, such as internal credit score, origination period, delinquent status and geography. An internal credit score, of which FICO is an input in North America, is created by using algorithms or statistical models contained in origination scorecards. The scorecards are used to evaluate a consumer’s ability to pay based on statistical modeling of their prior credit usage, structure of the loan and other information. The output of the scorecards rank-order consumers from those that are most likely to pay to those that are least likely to pay. By further dividing the portfolio into pools based on internal credit scores we are better able to distinguish expected credit performance for different credit risks. These pools are collectively evaluated for impairment based on a statistical calculation, which is supplemented by management judgment. The allowance is aggregated for each of the pools. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable losses inherent in our finance receivables.

We use a combination of forecasting methodologies to determine the allowance for loan losses, including roll rate modeling and static pool modeling techniques. A roll rate model is generally used to project near term losses and static pool models are generally used to project losses over the remaining life. Probable losses are estimated for groups of accounts aggregated by past-due status and origination month. Generally, loss experience over the last 10 years is evaluated. Recent performance is more heavily weighted when determining the allowance to result in an estimate that is more reflective of the current internal and external environments. Factors that are considered when estimating the allowance include historical delinquency migration to loss, probability of default ("PD") and loss given default ("LGD"). PD and LGD are specifically estimated for each monthly vintage (i.e., group of originations) in cases where vintage models are used. PD is estimated based on expectations that are aligned with internal credit scores. LGD is projected based on historical trends experienced over the last 10 years, weighted toward more recent performance in order to consider recent market supply and demand factors that impact wholesale used vehicle pricing. While forecasted probable losses are quantitatively derived, we assess the recent internal operating and external environments and may qualitatively adjust certain assumptions to result in an allowance that is more reflective of losses that are expected to occur in the current environment.

We also use historical charge-off experience to determine a loss confirmation period ("LCP"). The LCP is a key assumption within our models and represents the average amount of time between when a loss event first occurs to when the receivable is charged-off. This LCP is the basis of our allowance and is applied to the forecasted probable credit losses to determine the amount of losses we believe exist at the balance sheet date.

We believe these factors are relevant in estimating incurred losses and also consider an evaluation of overall portfolio credit quality based on indicators such as changes in our credit evaluation, underwriting and collection management policies, changes in the legal and regulatory environment, general economic conditions and business trends and uncertainties in forecasting and modeling techniques used in estimating our allowance. We update our retail loss forecast models and portfolio indicators on a quarterly basis to incorporate information reflective of the current economic environment.

Assumptions regarding credit losses and LCPs are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above. Should the credit loss assumption or LCP increase, there would be an increase in the amount of allowance for loan losses required, which would decrease the net carrying value of finance receivables and increase the amount of provision for loan losses.

Finance receivables that are considered impaired, including troubled debt restructurings ("TDRs") are individually evaluated for impairment. In assessing the risk of individually impaired loans such as TDRs, among the factors we consider are the financial condition of the borrower, geography, collateral performance, historical loss experience, and industry-specific information that management believes is relevant in determining the occurrence of a loss event and measuring impairment. These factors are based on an evaluation of historical and current information, and involve subjective assessment and interpretation.

Commercial Finance Receivables and the Allowance for Loan Losses Our commercial lending offerings consist of floorplan financing as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate.

Commercial finance receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable credit losses inherent in the commercial finance receivables. For the International Segment, we established the allowance for loan losses based on historical loss experience. Since we began offering commercial lending in the North America Segment in 2012, we have performed an analysis of the experience of comparable commercial lenders in order to estimate probable credit losses inherent in our portfolio. The commercial finance receivables are aggregated into loan-risk pools, which are determined based on our internally-developed risk rating system. Based upon our risk ratings, we also determine if any specific dealer loan is considered impaired. If impaired loans are identified, specific reserves are established, as appropriate, and the loan is segregated for separate monitoring.

Charge-off Policy Our policy is to charge off a retail account in the month in which the account becomes 120 days contractually delinquent if we have not yet recorded a repossession charge-off. In the North America Segment, we charge off accounts in repossession when the automobile is repossessed and legally available for disposition. In the International Segment, we charge off accounts when the repossession process is started.

Commercial finance receivables are individually evaluated and, where collectability of the recorded balance is in doubt, are written down to the fair value of the collateral less costs to sell. Commercial receivables are charged off at the earlier of when they are deemed uncollectible or reach 360 days past due.

Troubled Debt Restructurings In evaluating whether a loan modification constitutes a TDR, our policy for retail loans is that both of the following must exist: (i) the modification constitutes a concession; and (ii) the debtor is experiencing financial difficulties. In accordance with our policies and guidelines, we, at times, offer payment deferrals to customers. Each deferral allows the consumer to move up to two delinquent monthly payments to the end of the loan generally by paying a fee (approximately the interest portion of the payment deferred, except where state law provides for a lesser amount). A loan that is deferred two or more times would be considered significantly delayed and therefore meets the definition of a concession. A loan currently in payment default as the result of being delinquent would also represent a debtor experiencing financial difficulties. Therefore, considering these two factors, we have determined that the second deferment granted by us on a retail loan will be considered a TDR and the loan impaired. Accounts in Chapter 13 bankruptcy that have an interest rate or principal adjustment as part of a confirmed bankruptcy plan would also be considered TDRs. Retail finance receivables that become classified as TDRs are separately assessed for impairment. A specific allowance is estimated based on the present value of expected cash flows of the receivable discounted at the loan's original effective interest rate.

Commercial receivables subject to forbearance, moratoriums, extension agreements, or other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral are classified as TDRs. We do not grant concessions on the principal balance of dealer loans.

Variable Interest Entities – Securitizations and Credit Facilities We finance our loan and lease origination volume through the use of our credit facilities and execution of securitization transactions, which both utilize special purpose entities ("SPEs"). In our credit facilities, we transfer finance receivables or lease-related assets to special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the agents, collateralized by such assets and cash. The agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of the assets.

In our securitizations, we transfer finance receivables or lease-related assets to SPEs structured as securitization trusts ("Trusts"), which issue one or more classes of asset-backed securities. The asset-backed securities are in turn sold to investors.

Our continuing involvement with the credit facilities and Trusts consist of servicing assets held by the SPEs and holding residual interests in the SPEs. These transactions are structured without recourse. The SPEs are considered VIEs under U.S. GAAP and are consolidated because we have: (i) power over the significant activities of the entities and (ii) an obligation to absorb losses or the right to receive benefits from the VIEs which could be significant to the VIEs. Accordingly, we are the primary beneficiary of the VIEs and the finance receivables, leasing related assets, borrowings under our credit facilities and, following a securitization, the related securitization notes payable remain on the consolidated balance sheets. Refer to Note 4 - "Finance Receivables," Note 8 - "Debt" and Note 9 - "Variable Interest Entities" to our consolidated financial statements for further information.

We are not required, and do not currently intend, to provide any additional financial support to SPEs. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the finance receivables and other assets held by these subsidiaries are legally owned by them and are not available to our creditors or creditors of our other subsidiaries.

We recognize finance charge, lease vehicle and fee income on the securitized assets and interest expense on the secured debt issued in securitization transactions, and record a provision for loan losses to recognize probable loan losses inherent in the securitized assets. Cash pledged to support securitization transactions is deposited to a restricted account and recorded on our consolidated balance sheets as restricted cash, which is invested in highly liquid securities with original maturities of 90 days or less.

Property and Equipment Property and equipment additions are carried at amortized cost. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets, which ranges from 1 to 30 years. The basis of assets sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition and any resulting gain or loss is included in operations. Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and improvements are capitalized.

Leased Vehicles Leased vehicles consist of automobiles leased to customers and are carried at amortized cost less manufacturer subvention payments, which are received up front. Depreciation expense is recorded on a straight-line basis over the term of the lease agreement. Manufacturer subvention is recognized on a straight-line basis as a reduction to depreciation expense. Leased vehicles are depreciated to the estimated residual value at the end of the lease term. Under the accounting for impairment or disposal of long-lived assets, residual values of operating leases are evaluated individually for impairment when indicators of impairment exist. When indicators of impairment exist and aggregate future cash flows from the operating lease, including the expected realizable fair value of the leased asset at the end of the lease, are less than the book value of the lease, an immediate impairment write-down is recognized if the difference is deemed not recoverable. Otherwise, reductions in the expected residual value result in additional depreciation of the leased asset over the remaining term of the lease. Upon disposition, a gain or loss is recorded for any difference between the net book value of the lease and the proceeds from the disposition of the asset, including any insurance proceeds.

Goodwill The excess of the purchase price of the merger with GM over the fair value of the net assets acquired was recorded as goodwill, and was attributed to the North America reporting unit, which was our only reporting unit at that time. With the acquisition of the international operations, we added two additional reporting units: Latin America and Europe. The excess of the purchase price of the acquisition of the international operations over the fair value of the net assets acquired was all attributed to the Latin America reporting unit. We performed our annual goodwill impairment testing as of October 1, 2016 for each reporting unit.

For the North America reporting unit, which represents 92% of our goodwill balance, we determined the fair value with consideration to valuations under the income approach, weighted 75%, and the market approach, weighted 25%. The income approach evaluates the cash flow of the reporting unit over a specified time, discounted at an appropriate market rate to arrive at an indication of the most probable selling price. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimates of future performance. The market approach considers trading prices of securities issued by comparable companies as multiples of historical earnings and forecast earnings. The results of the first step of the impairment test indicated that the fair value exceeded the carrying value; therefore, it was not necessary to perform the second step analysis.

If actual market conditions are less favorable than those we and the industry have projected, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Derivative Financial Instruments We recognize all of our derivative financial instruments as either assets or liabilities on our consolidated balance sheets at fair value. We do not use derivative financial instruments for trading or speculative purposes.

Interest Rate Swap Agreements We utilize interest rate swap agreements to convert certain floating rate exposures to fixed rate or certain fixed-rate exposures to floating rate in order to manage our interest rate exposure. Cash flows from derivatives used to manage interest rate risk are classified as operating activities.

We designate certain pay-fixed, receive-floating interest rate swaps as cash flow hedges of variable rate debt. The risk being hedged is the risk of variability in interest payments attributable to changes in interest rates. If the hedge relationship is deemed to be highly effective, we record the effective portion of changes in the fair value of the hedge in accumulated other comprehensive income/loss. When the hedged cash flows affect earnings, we reclassify these amounts to interest expense. Any ineffective portion of a cash flow hedge is recorded to interest expense immediately.

We designate certain receive-fixed, pay-floating interest rate swaps as fair value hedges of fixed-rate debt. The risk being hedged is the risk of changes in the fair value of the hedged debt attributable to changes in the benchmark interest rate. If the hedge relationship is deemed to be highly effective, we record the changes in the fair value of the hedged debt related to the risk being hedged in interest expense. The change in fair value of the related derivative (excluding accrued interest) is also recorded in interest expense.

Interest Rate Cap and Floor Agreements We may purchase interest rate cap and floor agreements to limit floating rate exposures in our credit facilities. As part of our interest rate risk management strategy and when economically feasible, we may simultaneously sell a corresponding interest rate cap or floor agreement in order to offset the premium paid to purchase the interest rate cap or floor agreement and thus retain the interest rate risk. Because the interest rate cap and floor agreements entered into by us or our special purpose finance subsidiaries do not qualify for hedge accounting, changes in the fair value of interest rate cap and floor agreements purchased by the special purpose finance subsidiaries and interest rate cap and floor agreements sold by us are recorded in interest expense.

Interest rate risk management contracts are generally expressed in notional principal or contract amounts that are much larger than the amounts potentially at risk for nonpayment by counterparties. Therefore, in the event of nonperformance by the counterparties, our credit exposure is limited to the uncollected interest and the market value related to the contracts that have become favorable to us. We manage the credit risk of such contracts by using highly rated counterparties, establishing risk limits and monitoring the credit ratings of the counterparties.

We maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. We enter into arrangements with individual counterparties that we believe are creditworthy and generally settle on a net basis. In addition, we perform a quarterly assessment of our counterparty credit risk, including a review of credit ratings, credit default swap rates and potential nonperformance of the counterparty.

Foreign Currency Swaps Our policy is to minimize exposure to changes in currency exchange rates. To meet funding objectives, we borrow in a variety of currencies. We face exposure to currency exchange rates when the currency of our earning assets differs from the currency of the debt funding those assets. When possible, we fund earning assets with debt in the same currency, minimizing exposure to exchange rate movements. When a different currency is used, we may use foreign currency swaps to convert our debt obligations to the local currency of the earning assets.

We designate certain cross-currency swaps as cash flow hedges of foreign currency-denominated debt. The risk being hedged is the variability in the cash flows for the payments of both principal and interest attributable to changes in foreign currency exchange rates. If the hedge relationship is deemed to be highly effective, we record the effective portion of changes in the fair value of the swap in accumulated other comprehensive income/loss. When the hedged cash flows affect earnings via principal remeasurement or accrual of interest expense, we reclassify these amounts to other operating expenses or interest expense. Any ineffective portion of a cash flow hedge is recorded to interest expense immediately.

Fair Value Financial instruments are considered Level 1 when quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial instruments are considered Level 2 when inputs other than quoted prices are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Financial instruments are considered Level 3 when their values are determined using price models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

Income Taxes We account for income taxes on a separate return basis using an asset and liability method which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, net operating loss and tax credit carryforwards. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

We record uncertain tax positions on the basis of a two-step process whereby: (i) we determine whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position; and (ii) for those tax positions that meet the more likely than not recognition, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. We record interest and penalties on uncertain tax positions in income tax provision (benefit).

Revenue Recognition Finance charge income related to retail finance receivables is recognized using the effective interest method. Fees and commissions received and direct costs of originating loans are generally deferred and amortized over the term of the related finance receivables using the effective interest method and are removed from the consolidated balance sheets when the related finance receivables are sold, charged off or paid in full. Accrual of finance charge income is suspended on accounts that are more than 60 days delinquent, accounts in bankruptcy and accounts in repossession. Payments received on non-accrual loans are first applied to any fees due, then to any interest due and, finally, any remaining amounts received are recorded to principal. Interest accrual resumes once an account has received payments bringing the delinquency status to less than 60 days past due or, for TDRs, when repayment is reasonably assured based on the modified terms of the loan.

Finance charge income related to commercial finance receivables is recognized using the effective interest method. Accrual of finance charge income is generally suspended on accounts that are more than 90 days delinquent, upon receipt of a bankruptcy notice from a borrower, or where reasonable doubt about the full collectability of contractually agreed upon principal and interest exist. Payments received on non-accrual loans are first applied to principal. Interest accrual resumes once an account has received payments bringing the delinquency status fully current and collection of contractual principal and interest is reasonably expected (including amounts previously charged off).

Operating lease rental income for leased vehicles is recognized on a straight-line basis over the lease term. Net deferred origination fees or costs are amortized on a straight-line basis over the term of the lease agreement.

Parent Company Stock-Based Compensation We measure and record compensation expense for parent company stock-based compensation awards based on the award's estimated fair value. We record compensation expense over the applicable vesting period of an award.

Refer to Note 12 - "Parent Company Stock-Based Compensation" to our consolidated financial statements for further information.

Recently Adopted Accounting Standards In November 2016 the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" (ASU 2016-18), which clarifies the presentation of restricted cash and restricted cash equivalents in the statements of cash flows. Under ASU 2016-18 restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts presented on the statements of cash flows. We adopted ASU 2016-18 during the three months ended December 31, 2016 on a retrospective basis. As a result net cash provided by operating activities decreased by $271 million in 2015 and increased by an insignificant amount in 2014. Net cash used in investing activities decreased by $264 million and $232 million in 2015 and 2014 and beginning-of-period cash, cash equivalents and restricted cash increased by $1.9 billion, $2.1 billion and $2.0 billion as of December 31, 2016, 2015 and 2014.

Recently Issued Accounting Standards Not Yet Adopted In May 2014 the FASB issued ASU 2014-09, “Revenue from Contracts with Customers” (ASU 2014-09), which requires us to recognize revenue when a customer obtains control rather than when we have transferred substantially all risks and rewards of a good or service and requires expanded disclosures. ASU 2014-09 is effective for annual reporting periods beginning on or after December 15, 2017 with early adoption permitted for reporting periods beginning on or after December 15, 2016. The adoption of ASU 2014-09 will not have a significant impact on our consolidated financial statements.

In February 2016 the FASB issued ASU 2016-02, “Leases” (ASU 2016-02), which requires the lessee to recognize most leases on the balance sheet thereby resulting in the recognition of lease assets and liabilities for those leases currently classified as operating leases. The accounting for lessors is largely unchanged. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018 with early adoption permitted. While we are currently assessing the impact ASU 2016-02 will have on our consolidated financial statements, we expect the primary impact to our consolidated financial position upon adoption will be the recognition, on a discounted basis, of our minimum commitments under noncancelable operating leases on our consolidated balance sheets resulting in the recording of right of use assets and lease obligations. Our current minimum commitments under noncancelable operating leases are disclosed in Note 11.

In June 2016 the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model based on expected losses. Under this new model an entity would recognize an impairment allowance equal to its current estimate of credit losses on financial assets measured at amortized cost. ASU 2016-13 is effective for us beginning January 1, 2020 with early adoption permitted January 1, 2019. Credit losses under the new model will consider relevant information about past events, current conditions and reasonable and supportable forecasts, resulting in recognition of lifetime expected credit losses upon loan origination as compared to our current accounting that recognizes credit losses as incurred. Adoption of ASU 2016-13 will increase the allowance for credit losses with the cumulative effect upon adoption resulting in a negative adjustment to retained earnings. We are currently evaluating new processes to calculate credit losses in accordance with ASU 2016-13 that, once completed, will determine the impact on our consolidated financial statements which at the date of adoption will increase the allowance for credit losses with a resulting negative adjustment to retained earnings.

Note 2. Related Party Transactions

We offer loan and lease finance products through GM-franchised dealers to customers purchasing new and certain used vehicles manufactured by GM and make commercial loans directly to GM-franchised dealers and their affiliates. We also offer commercial loans to dealers that are consolidated by GM and those balances are included in our finance receivables, net.

Under subvention programs, GM makes cash payments to us for offering incentivized rates and structures on retail loan and lease finance products. In addition, GM makes payments to us to cover certain interest payments on commercial loans. We also provide funding under lines of credit to GM, which are included in our net funding of commercial finance receivables on the consolidated statements of cash flows. During 2016, we advanced $456 million under a new line of credit to GM subsidiary Adam Opel AG, which was repaid with interest during 2016.

We have related party payables due to GM, primarily for commercial finance receivables originated but not yet funded. These payables typically settle within 30 days. The following tables present related party transactions:

Balance Sheet Data	December 31, 2016	December 31, 2015
Commercial finance receivables, net due from dealers consolidated by GM[(a)]	$ 401	$ 229
Advances drawn on lines of credit due from GM[(b)]	$ 137	$ 190
Subvention receivable[(c)]	$ 373	$ 383
Commercial loan funding payable[(d)]	$ 389	$ 351

Income Statement Data	Years Ended December 31,		
	2016	2015	2014
Interest subvention earned on retail finance receivables and leases[(e)]	$ 443	$ 313	$ 248
Interest subvention earned on commercial finance receivables[(e)]	$ 169	$ 175	$ 195
Leased vehicle subvention earned[(f)]	$ 2,238	$ 1,001	$ 311

____

(a) Included in finance receivables, net.
(b) Included in related party receivables.
(c) Included in related party receivables. We received subvention payments from GM of $4.4 billion, $3.6 billion and $1.2 billion during 2016, 2015 and 2014.
(d) Included in related party payables.
(e) Included in finance charge income.
(f) Included as a reduction to leased vehicle expenses.

Under our support agreement with GM (the “Support Agreement”), if our earning assets leverage ratio at the end of any calendar quarter exceeds the applicable threshold set in the Support Agreement, we may require GM to provide funding sufficient to bring our earning assets leverage ratio to within the applicable threshold. In determining our earning assets leverage ratio (net earning assets divided by adjusted equity) under the Support Agreement, net earning assets means our finance receivables, net, plus leased vehicles, net, and adjusted equity means our equity, net of goodwill and inclusive of outstanding junior subordinated debt, as each may be adjusted for derivative accounting from time to time.

Additionally, the Support Agreement provides that GM will own all of our outstanding voting shares as long as we have any unsecured debt securities outstanding and that GM will use its commercially reasonable efforts to ensure that we will continue to be designated as a subsidiary borrower of up to $4.0 billion under GM’s corporate revolving credit facilities, which were amended in May 2016. These amendments increased GM's borrowing capacity on its corporate revolving credit facilities from $12.5 billion to $14.5 billion. We have the ability to borrow up to $1.0 billion under GM's three-year, $4.0 billion unsecured revolving credit facility and $3.0 billion under GM's five-year, $10.5 billion unsecured revolving credit facility, subject to available capacity. GM also agreed to certain provisions in the Support Agreement intended to ensure that we maintain adequate access to liquidity. Pursuant to these provisions, GM provided us with a $1.0 billion junior subordinated unsecured intercompany revolving credit facility (the "Junior Subordinated Revolving Credit Facility"). In September 2016, we borrowed $415 million on the Junior Revolving Credit Facility, which we repaid with interest in December 2016.

Since October 1, 2010, we have been included in GM's consolidated U.S. federal income tax returns. For taxable income we recognize in any period beginning on or after October 1, 2010, we are obligated to pay GM for our share of the consolidated U.S. federal and certain state tax liabilities. Amounts owed to GM for income taxes are accrued and recorded as a related party payable. At December 31, 2016 and December 31, 2015, there are no related party taxes payable to GM due to our taxable loss position.

Note 3. Acquisition of Equity Interest

On January 2, 2015, we completed the acquisition of Ally Financial's 40% equity interest in SAIC-GMAC. The aggregate purchase price was $1.0 billion. Also on January 2, 2015, we sold a 5% equity interest in SAIC-GMAC to SAIC FC, a current shareholder of SAIC-GMAC, for proceeds of $125 million. As a result of these transactions, we own a 35% equity interest in SAIC-GMAC. We account for our ownership interest in SAIC-GMAC using the equity method of accounting. The difference between the carrying amount of our investment and our share of the underlying net assets of SAIC-GMAC at the time of acquisition was $371 million, which was primarily related to goodwill. We determined the acquisition date fair values of the identifiable assets acquired and liabilities assumed in accordance with ASC 805, "Business Combinations" ("ASC 805").

Income resulting from the equity investment in SAIC-GMAC is included in our results beginning January 2, 2015. Equity income from SAIC-GMAC recorded during 2016 and 2015 was $151 million and $116 million. If the acquisition had occurred on January 1, 2014, our unaudited pro forma net income for 2014 would have increased by $107 million to $644 million.

Note 4. Finance Receivables

	December 31, 2016	December 31, 2015
Retail finance receivables		
Retail finance receivables, collectively evaluated for impairment, net of fees[(a)]	$ 30,989	$ 27,512
Retail finance receivables, individually evaluated for impairment, net of fees	1,921	1,612
Total retail finance receivables[(b)]	32,910	29,124
Less: allowance for loan losses - collective	(517)	(515)
Less: allowance for loan losses - specific	(276)	(220)
Total retail finance receivables, net	32,117	28,389
Commercial finance receivables		
Commercial finance receivables, collectively evaluated for impairment, net of fees	11,053	8,357
Commercial finance receivables, individually evaluated for impairment, net of fees	70	82
Total commercial finance receivables	11,123	8,439
Less: allowance for loan losses - collective	(43)	(38)
Less: allowance for loan losses - specific	(7)	(9)
Total commercial finance receivables, net	11,073	8,392
Total finance receivables, net	$ 43,190	$ 36,781
Fair value of finance receivables	$ 43,140	$ 36,937

____

(a) *Includes $1.3 billion and $1.1 billion of direct-financing leases at December 31, 2016 and 2015.*

(b) *Net of unearned income, unamortized premiums and discounts, and deferred fees and costs of $191 million and $179 million at December 31, 2016 and 2015.*

We estimate the fair value of retail finance receivables using observable and unobservable Level 3 inputs within a cash flow model. The inputs reflect assumptions regarding expected prepayments, deferrals, delinquencies, recoveries and charge-offs of the loans within the portfolio. The cash flow model produces an estimated amortization schedule of the finance receivables. The projected cash flows are then discounted to derive the fair value of the portfolio. Macroeconomic factors could affect the credit performance of the portfolio and, therefore, could potentially affect the assumptions used in our cash flow model. A substantial majority of our commercial finance receivables have variable interest rates and maturities of one year or less. Therefore, the carrying amount, a Level 2 input, is considered to be a reasonable estimate of fair value.

Retail Finance Receivables	Years ended December 31,		
	2016	2015	2014
Retail finance receivables beginning balance	$ 29,124	$ 25,623	$ 23,130
Purchases of retail finance receivables	18,054	17,537	15,085
Principal collections and other	(12,633)	(10,968)	(10,234)
Charge-offs	(1,171)	(996)	(914)
Foreign currency translation	(464)	(2,072)	(1,444)
Retail finance receivables ending balance	$ 32,910	$ 29,124	$ 25,623

A summary of the activity in the allowance for retail loan losses is as follows:

	Years ended December 31,		
	2016	2015	2014
Allowance for retail loan losses beginning balance	$ 735	$ 655	$ 497
Provision for loan losses	666	612	613
Charge-offs	(1,171)	(996)	(914)
Recoveries	559	486	470
Foreign currency translation	4	(22)	(11)
Allowance for retail loan losses ending balance	$ 793	$ 735	$ 655

Retail Credit Quality We use proprietary scoring systems in the underwriting process that measure the credit quality of the receivables using several factors, such as credit bureau information, consumer credit risk scores (e.g. FICO score), and contract characteristics. We also consider other factors, such as employment history, financial stability and capacity to pay. At the time of loan origination, substantially all of our International Segment customers have the equivalent of prime credit scores. In the North America Segment, while we historically focused on consumers with lower than prime credit scores, we have expanded our prime lending programs. A summary of the credit risk profile by FICO score band or equivalent scores, determined at origination, of the retail finance receivables in the North America Segment is as follows:

	December 31, 2016		December 31, 2015	
	Amount	Percent	Amount	Percent
Prime - FICO Score 680 and greater	$ 7,923	36.4%	$ 4,418	24.4%
Near-prime - FICO Score 620 to 679	3,468	15.9%	2,890	15.9%
Sub-prime - FICO Score less than 620	10,395	47.7%	10,840	59.7%
Balance at end of period	$ 21,786	100.0%	$ 18,148	100.0%

In addition, we review the credit quality of our retail finance receivables based on customer payment activity. A retail account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date such payment was contractually due. Retail finance receivables are collateralized by vehicle titles and, subject to local laws, we generally have the right to repossess the vehicle in the event the customer defaults on the payment terms of the contract.

The following is a consolidated summary of the contractual amounts of delinquent retail finance receivables, which is not significantly different than the recorded investment for such receivables.

	December 31, 2016		December 31, 2015	
	Amount	Percent of Contractual Amount Due	Amount	Percent of Contractual Amount Due
31 - 60 days	$ 1,235	3.7%	$ 1,237	4.2%
Greater than 60 days	542	1.7	481	1.6
Total finance receivables more than 30 days delinquent	1,777	5.4	1,718	5.8
In repossession	51	0.1	46	0.2
Total finance receivables more than 30 days delinquent or in repossession	$ 1,828	5.5%	$ 1,764	6.0%

At December 31, 2016 and 2015, the accrual of finance charge income had been suspended on retail finance receivables with contractual amounts due of $807 million and $778 million.

Impaired Retail Finance Receivables - TDRs Retail finance receivables that become classified as troubled debt restructurings ("TDRs") are separately assessed for impairment. A specific allowance is estimated based on the present value of the expected future cash flows of the receivable discounted at the loan's original effective interest rate. Accounts that become classified as TDRs because of a payment deferral accrue interest at the contractual rate and an additional fee is collected (where permitted) at each time of deferral and recorded as a reduction of accrued interest. No interest or fees are forgiven on a payment deferral to a customer; therefore, there are no additional financial effects of deferred loans becoming classified as TDRs. Accounts in the U.S. in Chapter 13 bankruptcy would have already been placed on non-accrual; therefore, there are no additional financial effects from these loans becoming classified as TDRs. Finance charge income from loans classified as TDRs is accounted for in the same manner as other accruing loans. Cash collections on these loans are allocated according to the same payment hierarchy methodology applied to loans that are not classified as TDRs.

At December 31, 2016 and 2015, the outstanding balance of retail finance receivables in the International Segment determined to be TDRs was insignificant; therefore, the following information is presented with regard to the TDRs in the North America Segment only. The outstanding recorded investment for retail finance receivables that are considered to be TDRs and the related allowance is presented below:

	December 31, 2016	December 31, 2015
Outstanding recorded investment	$ 1,920	$ 1,612
Less: allowance for loan losses	(276)	(220)
Outstanding recorded investment, net of allowance	$ 1,644	$ 1,392
Unpaid principal balance	$ 1,967	$ 1,642

Additional information about loans classified as TDRs is presented below:

	Years Ended December 31,		
	2016	2015	2014
Average outstanding recorded investment	$ 1,766	$ 1,455	$ 996
Finance charge income recognized	$ 205	$ 164	$ 123
Number of loans classified as TDRs during the period	66,926	58,012	49,490
Recorded investment of loans classified as TDRs during the period	$ 1,148	$ 982	$ 794

A redefault is when an account meets the requirements for evaluation under our charge-off policy. The unpaid principal balance, net of recoveries, of loans that redefaulted during the reporting period and were within 12 months of being modified as a TDR were $26 million, $20 million and $25 million for 2016, 2015 and 2014.

Commercial Finance Receivables	Years Ended December 31,		
	2016	2015	2014
Commercial finance receivables beginning balance	$ 8,439	$ 8,072	$ 6,700
Net funding	3,017	984	1,889
Charge-offs	(2)	(3)	—
Foreign currency translation	(331)	(614)	(517)
Commercial finance receivables ending balance	$ 11,123	$ 8,439	$ 8,072

Commercial Credit Quality We extend wholesale credit to dealers primarily in the form of approved lines of credit to purchase new vehicles as well as used vehicles. Each commercial lending request is evaluated, taking into consideration the borrower's financial condition and the underlying collateral for the loan. We use proprietary models to assign each dealer a risk rating. These models use historical performance data to identify key factors about a dealer that we consider significant in predicting a dealer's ability to meet its financial obligations. We also consider numerous other financial and qualitative factors including, but not limited to, capitalization and leverage, liquidity and cash flow, profitability and credit history.

We regularly review our models to confirm the continued business significance and statistical predictability of the factors and update the models to incorporate new factors or other information that improves statistical predictability. In addition, we verify the existence of the assets collateralizing the receivables by physical audits of vehicle inventories, which are performed with increased frequency for higher risk dealers (i.e., Groups III, IV, V and VI). We perform a credit review of each dealer at least annually and adjust the dealer's risk rating, if necessary. Dealers in Group VI are subject to additional funding restrictions including suspension of lines of credit and liquidation of assets.

Performance of our commercial finance receivables is evaluated based on our internal dealer risk rating analysis, as payment for wholesale receivables is generally not required until the dealer has sold or leased the vehicle inventory. All receivables from the same dealer customer share the same risk rating. A summary of the credit risk profile by dealer risk rating of the commercial finance receivables is as follows:

	December 31, 2016		December 31, 2015	
	Amount	Percent	Amount	Percent
Group I - Dealers with superior financial metrics	$ 1,596	14.3%	$ 1,299	15.4%
Group II - Dealers with strong financial metrics	3,445	31.0	2,648	31.4
Group III - Dealers with fair financial metrics	4,039	36.3	2,703	32.0
Group IV - Dealers with weak financial metrics	1,231	11.1	1,100	13.0
Group V - Dealers warranting special mention due to potential weaknesses	642	5.8	505	6.0
Group VI - Dealers with loans classified as substandard, doubtful or impaired	170	1.5	184	2.2
Balance at end of period	$ 11,123	100.0%	$ 8,439	100.0%

At December 31, 2016 and 2015, substantially all of our commercial finance receivables were current with respect to payment status and none were classified as TDRs. Activity in the allowance for commercial loan losses was insignificant for 2016, 2015 and 2014.

Note 5. Leased Vehicles

	December 31, 2016	December 31, 2015
Leased vehicles	$ 48,581	$ 27,587
Manufacturer subvention	(7,706)	(4,582)
	40,875	23,005
Less: accumulated depreciation	(6,349)	(2,833)
Leased vehicles, net	$ 34,526	$ 20,172

A summary of the changes in our leased vehicles is as follows:

	Years Ended December 31,		
	2016	2015	2014
Balance at beginning of period	$ 23,005	$ 8,268	$ 4,025
Leased vehicles purchased	25,377	20,199	6,169
Terminated leases	(4,095)	(1,785)	(878)
Leased vehicles returned - default	(358)	(120)	(58)
Manufacturer subvention	(3,111)	(3,169)	(844)
Foreign currency translation	57	(388)	(146)
Balance at end of period	$ 40,875	$ 23,005	$ 8,268

The following table summarizes minimum rental payments due to us as lessor under operating leases:

	Years Ending December 31,					
	2017	2018	2019	2020	2021	Total
Minimum rental payments under operating leases	$ 5,649	$ 4,176	$ 1,869	$ 180	$ 4	$ 11,878

Note 6. Goodwill

The following table summarizes the changes in the carrying amounts of goodwill by segment:

	Years Ended December 31,								
	2016			2015			2014		
	North America	International	Total	North America	International	Total	North America	International	Total
Beginning balance	$ 1,105	$ 84	$ 1,189	$ 1,106	$ 138	$ 1,244	$ 1,108	$ 132	$ 1,240
Acquisition	—	—	—	—	—	—	—	6	6
Foreign currency translation	—	7	7	(1)	(54)	(55)	(2)	—	(2)
Ending balance	$ 1,105	$ 91	$ 1,196	$ 1,105	$ 84	$ 1,189	$ 1,106	$ 138	$ 1,244

Note 7. Equity in Net Assets of Non-consolidated Affiliates

We use the equity method to account for our equity interest in SAIC-GMAC Automotive Finance Company Limited ("SAIC-GMAC"), a joint venture that conducts auto finance operations in China. The income of SAIC-GMAC is not consolidated into our financial statements; rather, our proportionate share of the earnings is reflected as equity income.

We received cash dividends from SAIC-GMAC of $129 million in 2016. There were no cash dividends received in 2015. At December 31, 2016 and 2015, we had undistributed earnings of $142 million and $121 million related to SAIC-GMAC. The following tables present summarized financial data of SAIC-GMAC:

Summarized Balance Sheet Data[(a)]:	December 31, 2016	December 31, 2015
Finance receivables, net	$ 10,408	$ 9,617
Total assets	$ 11,089	$ 9,802
Debt	$ 6,681	$ 5,789
Total liabilities	$ 9,330	$ 7,973

	Years Ended December 31,	
Summarized Operating Data[(a)]:	2016	2015
Finance charge income	$ 940	$ 971
Provision for loan losses	$ 18	$ 45
Interest expense	$ 257	$ 338
Income before income taxes	$ 570	$ 463
Net income	$ 428	$ 347

(a) *This data represents that of the entire entity and not our 35% proportionate share.*

Note 8. Debt

	December 31, 2016				December 31, 2015			
	Carrying Amount		Fair Value		Carrying Amount		Fair Value	
Secured debt								
Revolving credit facilities	$	9,817	$	9,812	$	7,548	$	7,494
Securitization notes payable		29,453		29,545		23,141		23,177
Total secured debt	$	39,270	$	39,357	$	30,689	$	30,671
Unsecured debt								
Senior notes	$	28,577	$	29,182	$	18,973	$	19,045
Credit facilities		3,354		3,354		2,759		2,753
Retail customer deposits		1,895		1,902		1,260		1,262
Other unsecured debt		780		782		665		666
Total unsecured debt	$	34,606	$	35,220	$	23,657	$	23,726
Total Secured and Unsecured debt	$	73,876	$	74,577	$	54,346	$	54,397
Fair value utilizing Level 2 inputs			$	69,990			$	48,716
Fair value utilizing Level 3 inputs			$	4,587			$	5,681

The fair value of our debt measured utilizing Level 2 inputs was based on quoted market prices for identical instruments and if unavailable, quoted market prices of similar instruments. For debt that has terms of one year or less or has been priced within the last six months, the carrying amount or par value is considered to be a reasonable estimate of fair value. The fair value of our debt measured utilizing Level 3 inputs was based on the discounted future net cash flows expected to be settled using current risk-adjusted rates.

Secured Debt Most of the secured debt was issued by variable interest entities, as further discussed in Note 9 - "Variable Interest Entities." This debt is repayable only from proceeds related to the underlying pledged assets.

The weighted average interest rate on secured debt was 2.09% at December 31, 2016. Issuance costs on the secured debt of $89 million as of December 31, 2016 and $76 million as of December 31, 2015 are amortized to interest expense over the expected term of the secured debt.

The terms of our revolving credit facilities provide for a revolving period and subsequent amortization period, and are expected to be repaid over periods ranging up to six years. During 2016, we entered into new credit facilities or renewed credit facilities with a total net additional borrowing capacity of $4.0 billion.

Securitization notes payable at December 31, 2016 are due beginning in 2018 through 2024. During 2016, we issued securitization notes payable of $16.9 billion with a weighted-average interest rate of 1.7%.

Unsecured Debt

Senior Notes At December 31, 2016, we had $29.0 billion par value outstanding in senior notes that mature from 2017 through 2026 and have a weighted average interest rate of 3.33%. Issuance costs on senior notes of $115 million as of December 31, 2016 and $107 million as of December 31, 2015 are amortized to interest expense over the term of the notes.

During 2016, our top-tier holding company issued $10.3 billion in senior notes comprised of $9.6 billion of fixed rate notes with a weighted average coupon of 3.38% and $650 million in floating rate notes. These notes mature beginning in May 2019 through October 2026. All of these notes are guaranteed by AmeriCredit Financial Services, Inc. ("AFSI").

In May 2016, one of our European subsidiaries issued €500 million of 1.168% notes under our Euro medium term notes program. These notes are due in May 2020 and are guaranteed by our top-tier holding company and AFSI.

In November 2016, one of our European subsidiaries issued €100 million in floating rate notes under our Euro medium term notes program. These notes are due in December 2017 and are guaranteed by our top-tier holding company and AFSI.

Subsequent to December 31, 2016, our top-tier holding company issued $2.5 billion in senior notes comprised of $1.25 billion of 3.45% notes due in January 2022, $750 million of 4.35% notes due in January 2027 and $500 million of floating rate notes due in January 2022. All of these notes are guaranteed solely by AFSI.

Senior notes issued by our top-tier holding company are guaranteed solely by AFSI; none of our other subsidiaries are guarantors of our senior notes. Refer to Note 20 - "Guarantor Consolidating Financial Statements" to our consolidated financial statements for further discussion.

Credit Facilities and Other Unsecured Debt We use unsecured credit facilities with banks as well as non-bank instruments as funding sources, primarily in the International Segment. During 2016, we increased net borrowing capacity on unsecured committed credit facilities by $22 million.

The terms of advances under our unsecured credit facilities are determined and agreed to by us and the lender on the borrowing date for each advance and can have maturities up to five years. The weighted average interest rate on credit facilities and other unsecured debt was 7.50% at December 31, 2016.

Retail Customer Deposits During 2015, we began accepting deposits from retail banking customers in Germany. Following is summarized information for our deposits at December 31, 2016 and 2015:

	December 31, 2016		December 31, 2015	
	Outstanding Balance	Weighted Average Interest Rate	Outstanding Balance	Weighted Average Interest Rate
Overnight deposits	$ 799	0.50%	$ 555	1.00%
Term deposits -12 months	423	0.93%	337	1.32%
Term deposits - 24 months	281	1.26%	123	1.44%
Term deposits - 36 months	392	1.48%	245	1.65%
Total deposits	$ 1,895	0.91%	$ 1,260	1.25%

Contractual Debt Obligations The following table presents the expected scheduled principal and interest payments under our contractual debt obligations:

	Years Ending December 31,						
	2017	2018	2019	2020	2021	Thereafter	Total
Secured debt	$ 21,268	$ 11,573	$ 4,880	$ 1,264	$ 348	$ —	$ 39,333
Unsecured debt	7,328	4,167	6,351	4,650	4,750	7,791	35,037
Interest payments	1,624	1,204	799	573	376	793	5,369
	$ 30,220	$ 16,944	$ 12,030	$ 6,487	$ 5,474	$ 8,584	$ 79,739

Compliance with Debt Covenants Several of our revolving credit facilities require compliance with certain financial and operational covenants as well as regular reporting to lenders, including providing certain subsidiary financial statements. Certain of our secured debt agreements also contain various covenants, including maintaining portfolio performance ratios as well as limits on deferment levels. Our unsecured senior notes contain covenants including limitations on our ability to incur certain liens. At December 31, 2016, we were in compliance with these debt covenants.

Note 9. Variable Interest Entities

Securitizations and credit facilities

The following table summarizes the assets and liabilities related to our consolidated VIEs:

	December 31,	
	2016	2015
Restricted cash[(a)]	$ 2,067	$ 1,876
Finance receivables, net of fees	$ 29,661	$ 24,942
Lease related assets	$ 19,341	$ 11,684
Secured debt	$ 38,244	$ 29,386

____

(a) Included in other assets in the consolidated balance sheets.

These amounts are related to securitization and credit facilities held by consolidated VIEs. Our continuing involvement with these VIEs consists of servicing assets held by the entities and holding residual interests in the entities. We have determined that we are the primary beneficiary of each VIE because we hold both (i) the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance and (ii) the obligation to absorb losses from and the right to receive benefits of the VIEs that could potentially be significant to the VIEs. We are not required, and do not currently intend, to provide any additional financial support to these VIEs. Liabilities recognized as a result of consolidating these entities generally do not represent claims against us or our other subsidiaries and assets recognized generally are for the benefit of these entities operations and cannot be used to satisfy our or our subsidiaries obligations.

Other VIEs We consolidate certain operating entities that provide auto finance and financial services, which we do not control through a majority voting interest. We manage these entities and maintain a controlling financial interest in them and are exposed to the risks of ownership through contractual arrangements. The majority voting interests in these entities are indirectly wholly-owned by our parent, GM. The amounts presented below are stated prior to intercompany eliminations and include amounts related to securitizations and credit facilities held by consolidated VIEs. The following table summarizes the assets and liabilities of these VIEs:

	December 31,	
	2016	2015
Assets[(a)]	$ 4,251	$ 3,652
Liabilities[(b)]	$ 3,559	$ 2,941

____

(a) Comprised primarily of finance receivables, net of $3.5 billion and $3.2 billion at December 31, 2016 and 2015.
(b) Comprised primarily of debt of $3.0 billion and $2.6 billion at December 31, 2016 and 2015.

The following table summarizes the revenue and net income of these VIEs:

	Years Ended December 31,		
	2016	2015	2014
Total revenue	$ 210	$ 191	$ 192
Net income	$ 29	$ 29	$ 28

Other transfers of finance receivables Under certain debt agreements, we transfer finance receivables to entities which we do not control through majority voting interest or through contractual arrangements. These transfers do not meet the criteria to be considered sales under U.S. GAAP; therefore, the finance receivables and the related debt are included in our consolidated financial statements, similar to the treatment of finance receivables and related debt of our consolidated VIEs. Any collections received on the transferred receivables are available only for the repayment of the related debt. At December 31, 2016 and 2015, $1.2 billion and $1.5 billion in finance receivables had been transferred in secured funding arrangements to third-party banks, to which $1.1 billion and $1.4 billion in secured debt was outstanding.

Note 10. Derivative Financial Instruments and Hedging Activities

Derivative financial instruments consist of the following:

		December 31, 2016		December 31, 2015	
	Level	Notional	Fair Value	Notional	Fair Value
Derivatives designated as hedges					
Assets					
Fair value hedges					
Interest rate swaps	2	$ —	$ —	$ —	$ —
Cash flow hedges					
Interest rate swaps	2,3	3,542	12	—	—
Foreign currency swaps	2	—	—	—	—
Total assets[(a)]		$ 3,542	$ 12	$ —	$ —
Liabilities					
Fair value hedges					
Interest rate swaps	2	$ 7,700	$ 276	$ 1,000	$ 6
Cash flow hedges					
Interest rate swaps	2,3	1,280	3	—	—
Foreign currency swaps	2	791	33	—	—
Total liabilities[(b)]		$ 9,771	$ 312	$ 1,000	$ 6
Derivatives not designated as hedges					
Assets					
Interest rate swaps	2,3	$ 8,667	$ 55	$ 4,122	$ 8
Interest rate caps and floors	2	10,469	26	6,327	19
Foreign currency swaps	2	1,576	78	1,460	48
Total assets[(a)]		$ 20,712	$ 159	$ 11,909	$ 75
Liabilities					
Interest rate swaps	2,3	$ 8,337	$ 36	$ 8,041	$ 24
Interest rate caps and floors	2	12,146	26	5,892	19
Foreign currency swaps	2	119	2	—	—
Total liabilities[(b)]		$ 20,602	$ 64	$ 13,933	$ 43

____

(a) Included in other assets in the consolidated balance sheets.
(b) Included in other liabilities in the consolidated balance sheets. Amounts accrued for interest payments in a net receivable position are included in other assets in the consolidated balance sheets.

The fair value for Level 2 instruments was derived using the market approach based on observable market inputs including quoted prices of similar instruments and foreign exchange and interest rate forward curves. The fair value for Level 3 instruments was derived using the income approach based on a discounted cash flow model, in which expected cash flows are discounted using current risk-adjusted rates. The activity for interest rate swap agreements measured at fair value on a recurring basis using significant unobservable inputs (Level 3) was insignificant for 2016, 2015 and 2014.

The following table presents information on the gains (losses) on derivative instruments included in the consolidated statements of income and comprehensive income:

	Income (Losses) Recognized In Income		
	Years Ended December 31,		
	2016	2015	2014
Fair value hedges			
Interest rate contracts[a][b]	$ (7)	$ 1	$ —
Cash flow hedges			
Interest rate contracts[a]	(4)	—	—
Foreign currency contracts[c]	39	—	—
Derivatives not designated as hedges			
Interest rate contracts[a]	14	(15)	(51)
Foreign currency derivatives[c][d]	109	42	163
Total	$ 151	$ 28	$ 112

	Gains (Losses) Recognized In Accumulated Other Comprehensive Loss		
	Years Ended December 31,		
	2016	2015	2014
Cash flow hedges			
Interest rate contracts	$ 4	$ —	$ —
Foreign currency contracts	(20)	—	—
Total	$ (16)	$ —	$ —

	Gains Reclassified From Accumulated Other Comprehensive Loss Into Income		
	Years Ended December 31,		
	2016	2015	2014
Cash flow hedges			
Interest rate contracts	$ 2	$ —	$ —
Foreign currency contracts	31	—	—
Total	$ 33	$ —	$ —

____

(a) *Recognized in earnings as interest expense.*

(b) *Includes hedge ineffectiveness which reflects the net change in the fair value of interest rate contracts of $322 million offset by the change in fair value of hedged debt attributable to the hedged risk of $287 million.*

(c) *Recognized in earnings as other operating expenses and interest expense.*

(d) *Activity is offset by translation activity (included in other operating expenses) related to foreign currency-denominated loans.*

Note 11. Commitments and Contingencies

Leases We lease space for our operating facilities and administrative offices under leases with terms up to 10 years with renewal options. Certain leases contain lease escalation clauses for real estate taxes and other operating expenses and renewal option clauses calling for increased rents. A summary of lease expense and operating lease commitments are as follows:

	Years Ended December 31,		
	2016	2015	2014
Lease expense	$ 30	$ 28	$ 28

	Years Ending December 31,						
	2017	2018	2019	2020	2021	Thereafter	Total
Operating lease commitments	$ 38	$ 45	$ 41	$ 37	$ 35	$ 161	$ 357

Concentrations of Credit Risk Financial instruments which potentially subject us to concentrations of credit risk are primarily cash equivalents, restricted cash, derivative financial instruments and retail finance receivables. Our cash equivalents and restricted cash represent investments in highly rated securities placed through various major financial institutions. The counterparties to our derivative financial instruments are various major financial institutions.

Retail finance receivables in the North America Segment represent contracts with customers residing throughout the U.S. and Canada, with borrowers located in Texas accounting for 16.0% of the portfolio as of December 31, 2016. No other state accounted for more than 10% of retail finance receivables. Retail finance receivables in the International Segment represent contracts with customers residing throughout Europe and Latin America. Borrowers located in the U.K., Germany, Brazil and Mexico accounted for 25.3%, 20.6%, 20.1%, and 16.4% of the international retail finance receivables as of December 31, 2016. No other country accounted for more than 10% of retail finance receivables.

At December 31, 2016, substantially all of our commercial finance receivables represent loans to GM-franchised dealerships and their affiliates.

Guarantees of Indebtedness The payments of principal and interest on senior notes issued by our top-tier holding company, our primary Canadian operating subsidiary and a European subsidiary are guaranteed by our primary U.S. operating subsidiary, AFSI. At December 31, 2016, the par value of our senior notes was $29.0 billion. Refer to Note 20 - "Guarantor Consolidating Financial Statements" to our consolidated financial statement in this Form 10-K for further discussion.

Legal Proceedings As a retail finance company, we are subject to various customer claims and litigation seeking damages and statutory penalties, based upon, among other things, usury, disclosure inaccuracies, wrongful repossession, violations of bankruptcy stay provisions, certificate of title disputes, fraud, breach of contract and discriminatory treatment of credit applicants. Some litigation against us could take the form of class action complaints by customers and certain legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. We establish reserves for legal claims when payments associated with the claims become probable and the payments can be reasonably estimated. Given the inherent difficulty of predicting the outcome of litigation and regulatory matters, it is generally very difficult to predict what the eventual outcome will be, and when the matter will be resolved. The actual costs of resolving legal claims may be higher or lower than any amounts reserved for the claims. At December 31, 2016, we estimated our reasonably possible legal exposure for unfavorable outcomes of up to $96 million, and have accrued $35 million.

In July 2014, we were served with a subpoena by the U.S. Department of Justice directing us to produce certain documents relating to our and our subsidiaries' and affiliates' origination and securitization of sub-prime automobile loans since 2007 in connection with an investigation by the U.S. Department of Justice in contemplation of a civil proceeding for potential violations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Among other matters, the subpoena requests information relating to the underwriting criteria used to originate these automobile loans and the representations and warranties relating to those underwriting criteria that were made in connection with the securitization of the automobile loans. We have subsequently been served with additional investigative subpoenas to produce documents from state attorneys general and other governmental offices relating to our retail auto loan business and securitization of auto loans. These investigations are ongoing and could in the future result in the imposition of damages, fines or civil or criminal claims and/or penalties. No assurance can be given that the ultimate outcome of the investigations or any resulting proceedings would not materially and adversely affect us or any of our subsidiaries and affiliates.

Other Administrative Tax Matters We accrue non-income tax liabilities for contingencies when management believes that a loss is probable and the amounts can be reasonably estimated, while contingent gains are recognized only when realized. In the event any losses are sustained in excess of accruals, they will be charged against income at that time.

In evaluating indirect tax matters, we take into consideration factors such as our historical experience with matters of similar nature, specific facts and circumstances, and the likelihood of prevailing. We reevaluate and update our accruals as matters progress over time. Where there is a reasonable possibility that losses exceeding amounts already recognized may be incurred, our estimate of the additional range of loss is up to $35 million.

Note 12. Parent Company Stock-Based Compensation

GM grants to certain employees and key executive officers Restricted Stock Units ("RSUs"), Performance-based Share Units ("PSUs") and stock options. Shares awarded under the plans are subject to forfeiture if the participant leaves the company for reasons other than those permitted under the plans, such as retirement, death or disability.

RSU awards granted either cliff vest or ratably vest generally over a three-year service period, as defined in the terms for each award. PSU awards generally vest at the end of a three-year performance period based on performance criteria determined by the Executive Compensation Committee of the GM Board of Directors at the time of award. The number of shares earned may equal, exceed or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed or not met.

The following table summarizes information about RSU, PSUs and stock options granted to our employees and key executive officers under GM's stock-based compensation programs (units in thousands):

	Year Ended December 31, 2016		
	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)
Units outstanding at January 1, 2016	2,302	$ 34.61	1.3
Granted	1,057	$ 31.50	
Settled	(501)	$ 34.95	
Forfeited or expired	(31)	$ 33.93	
Units outstanding at December 31, 2016	2,827	$ 32.89	1.1
Units unvested and expected to vest at December 31, 2016	1,926	$ 33.05	1.1
Units vested and payable at December 31, 2016	821	$ 32.51	

The following table summarizes compensation expense recorded for stock-based incentive plans:

	Years Ended December 31,		
	2016	2015	2014
Compensation expense	$ 48	$ 36	$ 19
Income tax benefit	19	13	8
Compensation expense, net of tax	$ 29	$ 23	$ 11

At December 31, 2016, total unrecognized compensation expense for nonvested equity awards granted was $42 million. This expense is expected to be recorded over a weighted-average period of 1.1 years. The total fair value of RSUs and PSUs vested in 2016, 2015, and 2014 was $16 million, $13 million and $9 million.

In 2016, 2015, and 2014, total payments for 49,000, 254,000 and 359,000 RSUs settled in cash under stock incentive plans were $2 million, $9 million and $13 million.

Note 13. Employee Benefit Plans

We have defined contribution retirement plans covering substantially all employees in the North America Segment as well as in Brazil and the U.K. We recognized $20 million, $17 million and $12 million in compensation expense for 2016, 2015, and 2014 related to these plans. Contributions to the plans were made in cash.

Certain employees in the International Segment are eligible to participate in plans that provide for pension payments upon retirement based on factors such as length of service and salary. The associated liability was $118 million and $109 million at December 31, 2016 and 2015. We recognized $6 million in net periodic pension expense in each of 2016, 2015, and 2014.

Note 14. Income Taxes

The following table summarizes income before income taxes and equity income:

	Years Ended December 31,		
	2016	2015	2014
U.S. income	$ 336	$ 362	$ 481
Non-U.S. income	426	359	334
Income before income taxes and equity income	$ 762	$ 721	$ 815

Income Tax Expense	Years Ended December 31,		
	2016	2015	2014
Current income tax expense			
U.S. federal	$ (1)	$ 13	$ 284
U.S. state and local	—	(5)	14
Non-U.S.	118	51	63
Total current	117	59	361
Deferred income tax expense			
U.S. federal	20	95	(87)
U.S. state and local	13	6	(5)
Non-U.S.	9	31	9
Total deferred	42	132	(83)
Total income tax provision	$ 159	$ 191	$ 278

Provisions are made for estimated U.S. and non-U.S. income taxes, less available tax credits and deductions, which may be incurred on the remittance of our basis differences in investments in foreign subsidiaries not deemed to be indefinitely reinvested. Taxes have not been provided on basis differences in investments as a result of earnings in foreign subsidiaries which are deemed indefinitely reinvested of $5 million and $21 million at December 31, 2016 and 2015. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested basis differences is not practicable.

The following table summarizes a reconciliation of income tax expense (benefit) compared with the amounts at the U.S. federal statutory income tax rate:

	Years Ended December 31,		
	2016	2015	2014
U.S. statutory tax rate	35.0 %	35.0 %	35.0 %
Non-U.S. income taxed at other than 35%	(2.6)	(3.2)	(2.2)
State and local income taxes	2.0	0.9	1.2
U.S. tax on non-U.S. earnings	(10.7)	(3.2)	7.2
Valuation allowance	7.4	7.1	(4.9)
Tax credits and incentives	(9.9)	(6.6)	(0.8)
Other	(0.3)	(3.5)	(1.5)
Effective tax rate	20.9 %	26.5 %	34.0 %

Deferred Income Tax Assets and Liabilities Deferred income tax assets and liabilities at December 31, 2016 and 2015 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the basis of such assets, liabilities and equity as measured by tax laws, as well as tax loss and tax credit carryforwards. The following table summarizes the components of temporary differences and carryforwards that give rise to deferred tax assets and liabilities:

	December 31, 2016	December 31, 2015
Deferred tax assets		
Net operating loss carryforward - U.S.[(a)]	$ 1,049	$ 409
Net operating loss carryforward - Non-U.S.[(b)]	202	189
Market value difference of loan portfolio	105	166
Accruals	135	107
Tax Credits[(c)]	388	131
Other	113	113
Total deferred tax assets before valuation allowance	1,992	1,115
Less: valuation allowance	(166)	(104)
Total deferred tax assets	1,826	1,011
Deferred tax liabilities		
Depreciable assets	1,470	645
Deferred acquisition costs	183	116
Other	119	148
Total deferred tax liabilities	1,772	909
Net deferred tax asset	$ 54	$ 102

____

(a) *Includes tax-effected operating losses of $1.0 billion expiring through 2037 at December 31, 2016.*

(b) *Includes tax-effected operating losses of $105 million expiring through 2037 and $97 million that may be carried forward indefinitely at December 31, 2016.*

(c) *Includes tax credits of $388 million expiring through 2037 at December 31, 2016.*

We are included in GM's consolidated U.S. federal income tax return and certain states' income tax returns. Net operating losses and certain tax credits generated by us have been utilized by GM; however, income tax expense and deferred tax balances are presented in these financial statements as if we filed our own tax returns in each jurisdiction. As of December 31, 2016, we have $22 million in valuation allowances against deferred tax assets in non-U.S. jurisdictions and $144 million in valuation allowances against deferred tax assets in U.S. jurisdictions. The increase in our valuation allowance of $62 million is primarily related to 2016 U.S. foreign tax credits of $91 million that we do not expect to utilize within the carryforward period partially offset by the release of a $19 million valuation allowance on deferred tax assets in Italy. During 2016 we concluded it was more likely than not that our future earnings in Italy will be sufficient to realize the deferred tax asset so a full valuation allowance is no longer needed. Accordingly we reversed the Italy valuation allowance and recorded an income tax benefit.

Uncertain Tax Positions	Years Ended December 31,		
	2016	2015	2014
Beginning balance	$ 61	$ 95	$ 130
Additions to prior years' tax positions	4	—	1
Reductions to prior years' tax positions	(6)	(7)	(12)
Additions to current year tax positions	2	1	7
Reductions in tax positions due to lapse of statutory limitations	(5)	(16)	(6)
Settlements	—	(2)	(20)
Foreign currency translation	3	(10)	(5)
Ending balance	$ 59	$ 61	$ 95

At December 31, 2016, 2015, and 2014, there were $38 million, $35 million and $71 million of net unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate.

We recognize accrued interest and penalties associated with uncertain tax positions as a component of the income tax provision. Accrued interest and penalties are included within the related tax liability line on the consolidated balance sheets.

During 2014, we recorded income tax related interest benefit and penalties of $12 million. The amounts recorded in 2015 and 2016 were insignificant. At December 31, 2016 and 2015 we had liabilities of $83 million and $75 million for income tax-related interest and penalties.

At December 31, 2016, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits in the next twelve months.

Periodically, we make deposits to taxing jurisdictions which reduce our unrecognized tax benefit balance, but are not reflected in the reconciliation above. The amounts of deposits that reduce our unrecognized tax benefit liability in the consolidated balance sheets were $15 million and $12 million at December 31, 2016 and 2015.

Other Matters Since October 1, 2010, we have been included in GM's consolidated U.S. federal income tax returns. For taxable income we recognize in any period beginning on or after October 1, 2010, we are obligated to pay GM for our share of the consolidated U.S. federal and certain state tax liabilities. Amounts owed to GM for income taxes are accrued and recorded as a related party payable. Under our tax sharing arrangement with GM, payments related to our U.S. operations for the tax years 2010 through 2014 were deferred for four years from their original due date. During 2015, the outstanding balance was converted to and treated as a capital contribution. At December 31, 2016 and 2015, there were no related party taxes payable due to GM due to our taxable loss position.

Income tax returns are filed in multiple jurisdictions and are subject to examination by taxing authorities throughout the world. We have open tax years from 2010 to 2016 with various tax jurisdictions. These open years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as they relate to the amount, character, timing or inclusion of revenue and/or recognition of expenses, or the sustainability of income tax credits. Certain of our state and foreign tax returns are currently under examination in various jurisdictions.

Note 15. Supplemental Cash Flow Information

Cash payments for interest costs and income taxes consist of the following:

	Years Ended December 31,		
	2016	2015	2014
Interest costs (none capitalized)	$ 1,857	$ 1,295	$ 1,120
Income taxes	$ 120	$ 84	$ 127

Non-cash investing items consist of the following:

	Years Ended December 31,		
	2016	2015	2014
Subvention receivable from GM	$ 373	$ 383	$ 189
Commercial loan funding payable to GM	$ 389	$ 351	$ 427

Note 16. Segment Reporting and Geographic Information

We offer substantially similar products and services throughout many different regions, subject to local regulations and market conditions. We evaluate our business in two operating segments: the North America Segment and the International Segment. The North America Segment includes our operations in the U.S. and Canada. The International Segment includes our operations in all other countries. Our chief operating decision maker evaluates the operating results and performance of our business based on these operating segments. The management of each segment is responsible for executing our strategies.

For segment reporting purposes only, interest expense related to the senior notes has been allocated based on targeted leverage for each segment. Interest expense in excess of the targeted overall leverage is reflected in the "Corporate" column below. In addition, the interest income on intercompany loans provided to the international operations is presented in the "Corporate" column as revenue. Key operating data for our operating segments were as follows:

	Year Ended December 31, 2016				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 7,948	$ 1,610	$ (1)	$ 1	$ 9,558
Operating expenses	891	599	—	—	1,490
Leased vehicle expenses	4,499	30	—	—	4,529
Provision for loan losses	566	103	—	—	669
Interest expense	1,481	626	—	1	2,108
Equity income	—	151	—	—	151
Income (loss) before income taxes	$ 511	$ 403	$ (1)	$ —	$ 913

	Year Ended December 31, 2015				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 4,777	$ 1,677	$ 13	$ (13)	$ 6,454
Operating expenses	735	558	—	—	1,293
Leased vehicle expenses	2,190	10	—	—	2,200
Provision for loan losses	466	158	—	—	624
Interest expense	833	722	74	(13)	1,616
Equity income	—	116	—	—	116
Income (loss) before income taxes	$ 553	$ 345	$ (61)	$ —	$ 837

	Year Ended December 31, 2014				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 2,909	$ 1,945	$ 56	$ (56)	$ 4,854
Operating expenses	542	620	—	—	1,162
Leased vehicle expenses	843	4	—	—	847
Provision for loan losses	472	132	—	—	604
Interest expense	459	954	69	(56)	1,426
Income (loss) before income taxes	$ 593	$ 235	$ (13)	$ —	$ 815

	December 31, 2016			December 31, 2015		
	North America	International	Total	North America	International	Total
Finance receivables, net	$ 27,617	$ 15,573	$ 43,190	$ 21,558	$ 15,223	$ 36,781
Leased vehicles, net	$ 34,284	$ 242	$ 34,526	$ 20,086	$ 86	$ 20,172
Total assets	$ 68,656	$ 19,109	$ 87,765	$ 47,419	$ 18,485	$ 65,904

Geographic Information	At and For the Years Ended December 31,					
	2016		2015		2014	
	Revenue	Long-Lived Assets[(a)]	Revenue	Long-Lived Assets[(a)]	Revenue	Long-Lived Assets[(a)]
U.S.	$ 7,440	$ 32,506	$ 4,324	$ 18,501	$ 2,552	$ 5,477
Canada	508	1,982	453	1,731	357	1,635
Brazil	652	3	757	3	964	4
Other countries[(b)]	958	314	920	156	981	116
Total consolidated	$ 9,558	$ 34,805	$ 6,454	$ 20,391	$ 4,854	$ 7,232

____

(a) Long-lived assets includes $34.5 billion, $20.2 billion and $7.1 billion of vehicles on operating leases at December 31, 2016, 2015, and 2014.

(b) No individual country represents more than 10% of our total revenue or long-lived assets.

Note 17. Accumulated Other Comprehensive Loss

	Years Ended December 31,		
	2016	2015	2014
Unrealized gain on cash flow hedges			
Beginning balance	$ —	$ —	$ —
Change in value of cash flow hedges, net of tax	17	—	—
Ending balance	17	—	—
Defined benefit plans			
Beginning balance	(13)	(11)	3
Unrealized loss on subsidiary pension, net of tax	(7)	(2)	(14)
Ending balance	(20)	(13)	(11)
Foreign currency translation adjustment			
Beginning balance	(1,091)	(422)	8
Translation loss, net of tax	(144)	(669)	(430)
Ending balance	(1,235)	(1,091)	(422)
Total accumulated other comprehensive loss	$ (1,238)	$ (1,104)	$ (433)

Note 18. Regulatory Capital and Other Regulatory Matters

We are required to comply with a wide variety of laws and regulations. The International Segment includes the operations of certain stand-alone entities that operate in local markets as either banks or regulated finance companies and are subject to regulatory restrictions. These regulatory restrictions, among other things, require that these entities meet certain minimum capital requirements and may restrict dividend distributions and ownership of certain assets. We were in compliance with all regulatory capital requirements as most recently reported. The following table lists the most recently reported minimum statutory capital requirements and the actual statutory capital for our significant regulated international banks by country:

	Minimum Capital Requirement	Actual Capital
Germany	8.6%	17.2%
Brazil	11.0%	16.9%

Total assets of our regulated international banks and finance companies were approximately $12.6 billion and $11.1 billion at December 31, 2016 and 2015.

Note 19. Quarterly Financial Data (unaudited)

The following tables summarize supplementary quarterly financial information:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016				
Total revenue	$ 2,075	$ 2,292	$ 2,499	$ 2,692
Income before income taxes	$ 225	$ 266	$ 228	$ 194
Net income	$ 164	$ 189	$ 147	$ 254
2015				
Total revenue	$ 1,354	$ 1,515	$ 1,707	$ 1,878
Income before income taxes	$ 214	$ 225	$ 231	$ 167
Net income	$ 150	$ 186	$ 179	$ 131

Note 20. Guarantor Consolidating Financial Statements

The payment of principal and interest on senior notes issued by our top-tier holding company is currently guaranteed solely by AFSI (the "Guarantor") and none of our other subsidiaries (the "Non-Guarantor Subsidiaries"). The Guarantor is a 100% owned consolidated subsidiary and is unconditionally liable for the obligations represented by the senior notes. The Guarantor’s guarantee may be released only upon customary circumstances, the terms of which vary by issuance. Customary circumstances include the sale or disposition of all of the Guarantor’s assets or capital stock, the achievement of investment grade rating of the senior notes and legal or covenant defeasance.

The consolidating financial statements present consolidating financial data for (i) General Motors Financial Company, Inc. (on a parent-only basis), (ii) the Guarantor, (iii) the combined Non-Guarantor Subsidiaries and (iv) the parent company and our subsidiaries on a consolidated basis at December 31, 2016 and December 31, 2015 and for the years ended December 31, 2016, 2015, and 2014 (after the elimination of intercompany balances and transactions).

Investments in subsidiaries are accounted for by the parent company using the equity method for purposes of this presentation. Results of operations of subsidiaries are therefore reflected in the parent company's investment accounts and earnings. The principal elimination entries set forth below eliminate investments in subsidiaries and intercompany balances and transactions.

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING BALANCE SHEET
December 31, 2016

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ —	$ 2,284	$ 917	$ —	$ 3,201
Finance receivables, net	—	4,969	38,221	—	43,190
Leased vehicles, net	—	—	34,526	—	34,526
Goodwill	1,095	—	101	—	1,196
Equity in net assets of non-consolidated affiliates	—	—	944	—	944
Property and equipment, net	—	152	127	—	279
Deferred income taxes	502	89	274	(591)	274
Related party receivables	—	25	485	—	510
Other assets	4	643	3,167	(169)	3,645
Due from affiliates	24,548	16,065	—	(40,613)	—
Investment in affiliates	8,986	6,445	—	(15,431)	—
Total assets	$ 35,135	$ 30,672	$ 78,762	$ (56,804)	$ 87,765
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Secured debt	$ —	$ —	$ 39,439	$ (169)	$ 39,270
Unsecured debt	26,076	—	8,530	—	34,606
Accounts payable and accrued expenses	302	273	899	—	1,474
Deferred income	—	—	2,365	—	2,365
Deferred income taxes	—	—	811	(591)	220
Related party payables	1	—	399	—	400
Other liabilities	63	417	257	—	737
Due to affiliates	—	24,437	16,176	(40,613)	—
Total liabilities	26,442	25,127	68,876	(41,373)	79,072
Shareholder's equity					
Common stock	—	—	698	(698)	—
Additional paid-in capital	6,505	79	5,345	(5,424)	6,505
Accumulated other comprehensive loss	(1,238)	(161)	(1,223)	1,384	(1,238)
Retained earnings	3,426	5,627	5,066	(10,693)	3,426
Total shareholder's equity	8,693	5,545	9,886	(15,431)	8,693
Total liabilities and shareholder's equity	$ 35,135	$ 30,672	$ 78,762	$ (56,804)	$ 87,765

Table of Contents

CONSOLIDATING BALANCE SHEET
December 31, 2015

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ —	$ 2,259	$ 802	$ —	$ 3,061
Finance receivables, net	—	4,808	31,973	—	36,781
Leased vehicles, net	—	—	20,172	—	20,172
Goodwill	1,095	—	94	—	1,189
Equity in net assets of non-consolidated affiliates	—	—	986	—	986
Property and equipment, net	—	41	178	—	219
Deferred income taxes	212	—	179	(160)	231
Related party receivables	—	27	546	—	573
Other assets	32	92	2,568	—	2,692
Due from affiliates	15,573	7,556	—	(23,129)	—
Investment in affiliates	8,476	6,425	—	(14,901)	—
Total assets	$ 25,388	$ 21,208	$ 57,498	$ (38,190)	$ 65,904
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities					
Secured debt	$ —	$ —	$ 30,689	$ —	$ 30,689
Unsecured debt	17,087	—	6,570	—	23,657
Accounts payable and accrued expenses	181	717	320	—	1,218
Deferred income	—	—	1,454	—	1,454
Deferred income taxes	—	289	—	(160)	129
Related party payables	—	—	362	—	362
Other liabilities	68	34	241	—	343
Due to affiliates	—	15,495	7,634	(23,129)	—
Total liabilities	17,336	16,535	47,270	(23,289)	57,852
Shareholder's equity					
Common stock	—	—	698	(698)	—
Additional paid-in capital	6,484	79	6,490	(6,569)	6,484
Accumulated other comprehensive loss	(1,104)	(175)	(1,095)	1,270	(1,104)
Retained earnings	2,672	4,769	4,135	(8,904)	2,672
Total shareholder's equity	8,052	4,673	10,228	(14,901)	8,052
Total liabilities and shareholder's equity	$ 25,388	$ 21,208	$ 57,498	$ (38,190)	$ 65,904

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2016

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 432	$ 2,897	$ —	$ 3,329
Leased vehicle income	—	—	5,925	—	5,925
Other income	(1)	883	97	(675)	304
Total revenue	(1)	1,315	8,919	(675)	9,558
Costs and expenses					
Salaries and benefits	—	597	256	—	853
Other operating expenses	2	200	837	(402)	637
Total operating expenses	2	797	1,093	(402)	1,490
Leased vehicle expenses	—	—	4,529	—	4,529
Provision for loan losses	—	378	291	—	669
Interest expense	557	296	1,528	(273)	2,108
Total costs and expenses	559	1,471	7,441	(675)	8,796
Equity income	994	771	151	(1,765)	151
Income before income taxes	434	615	1,629	(1,765)	913
Income tax (benefit) provision	(320)	(89)	568	—	159
Net income	$ 754	$ 704	$ 1,061	$ (1,765)	$ 754
Comprehensive income	$ 620	$ 718	$ 933	$ (1,651)	$ 620

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2015

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 403	$ 2,978	$ —	$ 3,381
Leased vehicle income	—	—	2,807	—	2,807
Other income	13	505	139	(391)	266
Total revenue	13	908	5,924	(391)	6,454
Costs and expenses					
Salaries and benefits	—	332	394	—	726
Other operating expenses	64	105	649	(251)	567
Total operating expenses	64	437	1,043	(251)	1,293
Leased vehicle expenses	—	—	2,200	—	2,200
Provision for loan losses	—	398	226	—	624
Interest expense	488	18	1,250	(140)	1,616
Total costs and expenses	552	853	4,719	(391)	5,733
Equity income	941	579	116	(1,520)	116
Income before income taxes	402	634	1,321	(1,520)	837
Income tax (benefit) provision	(244)	25	410	—	191
Net income	$ 646	$ 609	$ 911	$ (1,520)	$ 646
Comprehensive (loss) income	$ (25)	$ 498	$ 225	$ (723)	$ (25)

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2014

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 194	$ 3,281	$ —	$ 3,475
Leased vehicle income	—	—	1,090	—	1,090
Other income	68	432	178	(389)	289
Total revenue	68	626	4,549	(389)	4,854
Costs and expenses					
Salaries and benefits	—	249	365	—	614
Other operating expenses	159	(17)	657	(251)	548
Total operating expenses	159	232	1,022	(251)	1,162
Leased vehicle expenses	—	—	847	—	847
Provision for loan losses	—	334	270	—	604
Interest expense	232	23	1,309	(138)	1,426
Total costs and expenses	391	589	3,448	(389)	4,039
Equity income	757	523	—	(1,280)	—
Income before income taxes	434	560	1,101	(1,280)	815
Income tax (benefit) provision	(103)	12	369	—	278
Net income	$ 537	$ 548	$ 732	$ (1,280)	$ 537
Comprehensive income	$ 93	$ 491	$ 298	$ (789)	$ 93

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 754	$ 704	$ 1,061	$ (1,765)	$ 754
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	37	26	4,776	—	4,839
Accretion and amortization of loan and leasing fees	—	17	(1,189)	—	(1,172)
Amortization of carrying value adjustment	—	(3)	(26)	—	(29)
Undistributed earnings of non-consolidated affiliates, net	(994)	(771)	(22)	1,765	(22)
Provision for loan losses	—	378	291	—	669
Deferred income taxes	(313)	(390)	745	—	42
Stock-based compensation expense	24	—	1	—	25
Other operating activities	(299)	289	11	—	1
Changes in assets and liabilities:					
Other assets	18	(347)	(114)	—	(443)
Accounts payable and accrued expenses	117	(438)	535	—	214
Taxes payable	(1)	—	(1)	—	(2)
Related party payables	—	—	5	—	5
Net cash (used in) provided by operating activities	(657)	(535)	6,073	—	4,881
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(15,847)	(20,080)	18,131	(17,796)
Principal collections and recoveries on retail finance receivables	—	1,542	11,630	—	13,172
Proceeds from transfer of retail finance receivables, net	—	13,897	4,234	(18,131)	—
Net funding of commercial finance receivables	—	(191)	(2,790)	—	(2,981)
Purchases of leased vehicles, net	—	—	(19,612)	—	(19,612)
Proceeds from termination of leased vehicles	—	—	2,557	—	2,557
Purchases of property and equipment	—	(82)	(25)	—	(107)
Other investing activities	—	(169)	(7)	169	(7)
Net change in due from affiliates	(8,966)	(8,508)	—	17,474	—
Net change in investment in affiliates	339	787	—	(1,126)	—
Net cash used in investing activities	(8,627)	(8,571)	(24,093)	16,517	(24,774)
Cash flows from financing activities					
Net change in debt (original maturities less than three months)	8	—	772	—	780
Borrowings and issuance of secured debt	—	—	29,590	(169)	29,421
Payments on secured debt	—	—	(20,266)	—	(20,266)
Borrowings and issuance of unsecured debt	10,320	—	2,962	—	13,282
Payments on unsecured debt	(1,000)	—	(1,837)	—	(2,837)
Borrowings on related party line of credit	418	—	—	—	418
Payments on related party line of credit	(418)	—	—	—	(418)
Net capital contributions	—	—	(1,126)	1,126	—
Debt issuance costs	(44)	—	(102)	—	(146)
Net change in due to affiliates	—	9,071	8,403	(17,474)	—
Net cash provided by financing activities	9,284	9,071	18,396	(16,517)	20,234
Net increase in cash, cash equivalents and restricted cash	—	(35)	376	—	341
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	—	—	(41)	—	(41)
Cash, cash equivalents and restricted cash at beginning of period	—	2,319	2,683	—	5,002
Cash, cash equivalents and restricted cash at end of period	$ —	$ 2,284	$ 3,018	$ —	$ 5,302

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidating balance sheet:

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash and cash equivalents	$ —	$ 2,284	$ 917	$ —	$ 3,201
Restricted cash included in other assets	—	—	2,101	—	2,101
Total cash, cash equivalents and restricted cash as presented in the consolidating statements of cash flows	$ —	$ 2,284	$ 3,018	$ —	$ 5,302

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 646	$ 609	$ 911	$ (1,520)	$ 646
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	28	3	2,372	—	2,403
Accretion and amortization of loan and leasing fees	—	25	(634)	—	(609)
Amortization of carrying value adjustment	—	(14)	(135)	—	(149)
Undistributed earnings of non-consolidated affiliates, net	(941)	(579)	(116)	1,520	(116)
Provision for loan losses	—	398	226	—	624
Deferred income taxes	(189)	2	319	—	132
Stock-based compensation expense	33	—	3	—	36
Other operating activities	32	(5)	(64)	—	(37)
Changes in assets and liabilities:					
Other assets	(3)	25	(397)	—	(375)
Accounts payable and accrued expenses	100	531	(349)	—	282
Taxes payable	(12)	1	(9)	—	(20)
Related party taxes payable	(636)	—	—	—	(636)
Related party payables	1	—	(14)	—	(13)
Net cash (used in) provided by operating activities	(941)	996	2,113	—	2,168
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(13,997)	(16,981)	13,461	(17,517)
Principal collections and recoveries on retail finance receivables	—	755	10,971	—	11,726
Proceeds from transfer of retail finance receivables, net	—	10,428	3,033	(13,461)	—
Net funding of commercial finance receivables	—	6	(1,023)	—	(1,017)
Purchases of leased vehicles, net	—	—	(15,337)	—	(15,337)
Proceeds from termination of leased vehicles	—	—	1,096	—	1,096
Acquisition of international operations	(513)	(536)	—	—	(1,049)
Disposition of equity interest	—	125	—	—	125
Purchases of property and equipment	—	(21)	(69)	—	(90)
Other investing activities	—	—	30	—	30
Net change in due from affiliates	(8,819)	(5,593)	—	14,412	—
Net change in investment in affiliates	(6)	(1,893)	—	1,899	—
Net cash used in investing activities	(9,338)	(10,726)	(18,280)	16,311	(22,033)
Cash flows from financing activities					
Net change in debt (original maturities less than three months)	—	—	1,147	—	1,147
Borrowings and issuance of secured debt	—	—	22,385	—	22,385
Payments on secured debt	—	—	(15,178)	—	(15,178)
Borrowings and issuance of unsecured debt	9,687	—	3,290	—	12,977
Payments on unsecured debt	—	—	(1,709)	—	(1,709)
Net capital contributions	649	—	1,899	(1,899)	649
Debt issuance costs	(58)	—	(97)	—	(155)
Other	1	—	—	—	1
Net change in due to affiliates	—	9,766	4,646	(14,412)	—
Net cash provided by financing activities	10,279	9,766	16,383	(16,311)	20,117
Net increase in cash, cash equivalents and restricted cash	—	36	216	—	252
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	—	—	(295)	—	(295)
Cash, cash equivalents and restricted cash at beginning of period	—	2,283	2,762	—	5,045
Cash, cash equivalents and restricted cash at end of period	$ —	$ 2,319	$ 2,683	$ —	$ 5,002

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidating balance sheet:

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash and cash equivalents	$ —	$ 2,259	$ 802	$ —	$ 3,061
Restricted cash included in other assets	—	60	1,881	—	1,941
Total cash, cash equivalents and restricted cash as presented in the consolidating statements of cash flows	$ —	$ 2,319	$ 2,683	$ —	$ 5,002

GENERAL MOTORS FINANCIAL COMPANY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2014

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 537	$ 548	$ 732	$ (1,280)	$ 537
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	14	2	976	—	992
Accretion and amortization of loan and leasing fees	—	4	(367)	—	(363)
Amortization of carrying value adjustment	—	(4)	(230)	—	(234)
Undistributed earnings of non-consolidated affiliates, net	(757)	(523)	—	1,280	—
Provision for loan losses	—	334	270	—	604
Deferred income taxes	1	127	(211)	—	(83)
Stock-based compensation expense	18	—	1	—	19
Other operating activities	137	(2)	47	—	182
Changes in assets and liabilities, net of assets and liabilities acquired:					
Other assets	(18)	(14)	(53)	—	(85)
Accounts payable and accrued expenses	36	(25)	122	—	133
Taxes payable	(3)	—	(60)	—	(63)
Related party taxes payable	(7)	—	—	—	(7)
Related party payable	—	—	5	—	5
Net cash (used in) provided by operating activities	(42)	447	1,232	—	1,637
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(8,220)	(14,321)	7,792	(14,749)
Principal collections and recoveries on retail finance receivables	—	(99)	10,959	—	10,860
Proceeds from transfer of retail finance receivables, net	—	6,369	1,423	(7,792)	—
Net funding of commercial finance receivables	—	(128)	(1,770)	—	(1,898)
Purchases of leased vehicles, net	—	—	(4,882)	—	(4,882)
Proceeds from termination of leased vehicles	—	—	533	—	533
Acquisition of international operations	(46)	—	—	—	(46)
Purchases of property and equipment	—	(20)	(32)	—	(52)
Other investing activities	—	—	(2)	—	(2)
Net change in due from affiliates	(3,149)	(443)	(400)	3,992	—
Net change in investment in affiliates	(357)	(27)	—	384	—
Net cash used in investing activities	(3,552)	(2,568)	(8,492)	4,376	(10,236)
Cash flows from financing activities					
Net change in debt (original maturities less than three months)	—	—	470	—	470
Borrowings and issuance of secured debt	—	—	21,080	—	21,080
Payments on secured debt	—	—	(16,890)	—	(16,890)
Borrowings and issuance of unsecured debt	3,500	—	3,674	—	7,174
Payments on unsecured debt	—	—	(1,889)	—	(1,889)
Net capital contribution	996	—	382	(382)	996
Debt issuance costs	(39)	—	(88)	—	(127)
Net change in due to affiliates	(863)	3,989	866	(3,992)	—
Net cash provided by financing activities	3,594	3,989	7,605	(4,374)	10,814
Net increase in cash, cash equivalents and restricted cash	—	1,868	345	2	2,215
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	—	—	(199)	(2)	(201)
Cash, cash equivalents and restricted cash at beginning of period	—	415	2,616	—	3,031
Cash, cash equivalents and restricted cash at end of period	$ —	$ 2,283	$ 2,762	$ —	$ 5,045

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

We had no disagreements on accounting or financial disclosure matters with our independent accountants to report under this Item 9.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer ("CEO") and principal financial officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) at December 31, 2016. Based on this evaluation, required by paragraph (b) of Rule 13a-15 and or 15d-15, our CEO and CFO concluded that our disclosure controls and procedures were effective at December 31, 2016.

Management's Report On Internal Control Over Financial Reporting Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, misstatements due to error or fraud may not be prevented or detected on a timely basis.

Our management performed an assessment of the effectiveness of our internal control over financial reporting at December 31, 2016, utilizing the criteria discussed in the "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at December 31, 2016. Based on management's assessment, we have concluded that our internal control over financial reporting was effective at December 31, 2016.

Changes in Internal Control Over Financial Reporting There were no changes made to our internal control over financial reporting during the quarter ended December 31, 2016, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART III

Items 10, 11, 12 and 13

Omitted in accordance with General Instruction I to Form 10-K.

Item 14. Principal Accounting Fees and Services

	Years Ended December 31,		
	2016	2015	2014
	(in millions)		
Deloitte & Touche LLP			
Audit Fees[(a)]	$ 7	$ 6	$ 6
Audit Related Fees[(b)]	3	3	5
Total Fees	$ 10	$ 9	$ 11

____

(a) *Audit Fees include the annual financial statement audit (including quarterly reviews, subsidiary audits and other procedures required to be performed by the independent registered public accounting firm to be able to form an opinion on our consolidated financial statements).*

(b) *Audit-Related Fees are assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the independent registered public accounting firm. Audit-Related Fees include, among other things, agreed-upon procedures and other services pertaining to our securitization program and other warehouse credit facility reviews; the attestations required by the requirements of Regulation AB; and accounting consultations related to accounting, financial reporting or disclosure matters not classified as "Audit Fees."*

Fees for tax services including tax compliance and related advice were $130,000, $178,000 and $168,000 for 2016, 2015, and 2014.

As a wholly-owned subsidiary of General Motors Company, audit and non-audit services provided by our independent auditor are subject to General Motors Company's Audit Committee pre-approval policies and procedures. The Audit Committee pre-approved all services provided by, and all fees of, our independent auditor.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(1) The following Consolidated Financial Statements as set forth in Item 8 of this report are filed herein.

Consolidated Financial Statements

Consolidated Balance Sheets as of December 31, 2016 and 2015.

Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2016, 2015, and 2014.

Consolidated Statements of Shareholder's Equity for the years ended December 31, 2016, 2015, and 2014.

Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2015, and 2014.

Notes to Consolidated Financial Statements

(2) All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are either not required under the related instructions, are inapplicable, or the required information is included elsewhere in the Consolidated Financial Statements and incorporated herein by reference.

(3) The exhibits filed in response to Item 601 of Regulation S-K are listed in the Index to Exhibits.

GENERAL MOTORS FINANCIAL COMPANY, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 7, 2017.

GENERAL MOTORS FINANCIAL COMPANY, INC.

BY: /s/ DANIEL E. BERCE

Daniel E. Berce

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ DANIEL E. BERCE Daniel E. Berce	Director, President and Chief Executive Officer (Principal Executive Officer)	February 7, 2017
/s/ CHRIS A. CHOATE Chris A. Choate	Executive Vice President and Chief Financial Officer	February 7, 2017
/s/ CONNIE COFFEY Connie Coffey	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 7, 2017
/s/ DANIEL AMMANN Daniel Ammann	Director	February 7, 2017
/s/ CHARLES K. STEVENS III Charles K. Stevens III	Director	February 7, 2017

Table of Contents

GENERAL MOTORS FINANCIAL COMPANY, INC.

INDEX TO EXHIBITS

The following documents are filed as a part of this report. Those exhibits previously filed and incorporated herein by reference are identified by the exhibit numbers used in the report with which they were filed.

Exhibit No.	Description	
2.1	Agreement and Plan of Merger, dated July 21, 2010, among General Motors Holdings LLC, Goalie Texas Holdco Inc. and AmeriCredit Corp., incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed on July 26, 2010.	Incorporated by Reference
3.1	Amended and Restated Certificate of Formation of General Motors Financial Company, Inc. (formerly known as AmeriCredit Corp.), incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed on October 1, 2010.	Incorporated by Reference
3.2	Certificate of Amendment to the Amended and Restated Certificate of Formation of General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 3.1 of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the Securities and Exchange Commission.	Incorporated by Reference
3.3	Second Amended and Restated Bylaws of General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 3.2 of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed with the Securities and Exchange Commission.	Incorporated by Reference
4.1	Certificate of Merger merging Goalie Texas Holdco Inc. with and into AmeriCredit Corp., incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on October 1, 2010.	Incorporated by Reference
4.2	Indenture, dated June 1, 2011, between General Motors Financial Company, Inc. and Deutsche Bank Trust Company Americas, concerning GM Financial's $500 million 6.75% Senior Notes due 2018, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on June 3, 2011.	Incorporated by Reference
4.3	Indenture, dated August 16, 2012, between General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., the guarantor, and Wells Fargo Bank, N.A., as trustee, concerning GM Financial's $1 billion 4.75% Senior Noted due 2017, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on August 16, 2012	Incorporated by Reference
4.4	Indenture, dated May 14, 2013, between General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., the guarantor, and Wells Fargo Bank, N.A., as trustee, concerning GM Financial's $1 billion 2.75% Senior Noted due 2016, $750 million 3.25% Senior Notes due 2018 and $750 million 4.25% Senior Notes due 2013, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on May 14, 2013.	Incorporated by Reference
4.5	Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference
4.5.1	First Supplemental Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.625% Senior Notes due 2017, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference
4.5.2	Second Supplemental Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.500% Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference
4.5.3	Third Supplemental Indenture, dated September 25, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.000% Senior Notes due 2017, incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on September 25, 2014.	Incorporated by Reference

Exhibit No.	Description	
4.5.3.1	First Amendment to Third Supplemental Indenture, dated October 17, 2014, incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q, filed on October 23, 2014.	Incorporated by Reference
4.5.4	Fourth Supplemental Indenture, dated September 25, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.375% Senior Notes due 2021, incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on September 25, 2014.	Incorporated by Reference
4.5.4.1	First Amendment to Fourth Supplemental Indenture, dated October 17, 2014, incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q, filed on October 23, 2014.	Incorporated by Reference
4.6	Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.1	First Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.2	Second Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.150% Senior Notes due 2020, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.3	Third Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.000% Senior Notes due 2025, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.4	Fourth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2018, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.5	Fifth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.400% Senior Notes due 2018, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.6	Sixth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.450% Senior Notes due 2022, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.7	Seventh Supplemental Indenture, dated July 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.200% Senior Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on July 13, 2015.	Incorporated by Reference
4.6.8	Eighth Supplemental Indenture, dated July 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.300% Senior Notes due 2025, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on July 13, 2015.	Incorporated by Reference

Exhibit No.	Description	
4.7	Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.1	First Supplemental Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.100% Senior Notes due 2019, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.2	Second Supplemental Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.3	Third Supplemental Indenture, dated November 24, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.700% Senior Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on November 24, 2015.	Incorporated by Reference
4.7.4	Fourth Supplemental Indenture, dated March 1, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.200% Senior Notes due 2021, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on March 1, 2016.	Incorporated by Reference
4.7.5	Fifth Supplemental Indenture, dated March 1, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 5.250% Senior Notes due 2026, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on March 1, 2016.	Incorporated by Reference
4.7.6	Sixth Supplemental Indenture, dated May 9, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2019, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on May 9, 2016.	Incorporated by Reference
4.7.7	Seventh Supplemental Indenture, dated May 9, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.400% Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on May 9, 2016.	Incorporated by Reference
4.7.8	Eighth Supplemental Indenture, dated May 9, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.700% Senior Notes due 2023, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on May 9, 2016.	Incorporated by Reference
4.7.9	Ninth Supplemental Indenture, dated July 5, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.200% Senior Notes due 2021, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on July 5, 2016.	Incorporated by Reference
4.7.10	Tenth Supplemental Indenture, dated October 6, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2019, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on October 6, 2016.	Incorporated by Reference

GENERAL MOTORS FINANCIAL COMPANY, INC.

Exhibit No.	Description	
4.7.11	Eleventh Supplemental Indenture, dated October 6, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.350% Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on October 6, 2016.	Incorporated by Reference
4.7.12	Twelfth Supplemental Indenture, dated October 6, 2016, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.000% Senior Notes due 2026, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on October 6, 2016.	Incorporated by Reference
10.1	Sale and Servicing Agreement, dated as of February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.1 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.1	Indenture, dated February 26, 2010, among AmeriCredit Syndicated warehouse Trust, Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.2 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.2	Note Purchase Agreement, dated February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.3 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.3	First Supplemental Indenture, dated August 20, 2010, between AmeriCredit Syndicated Warehouse Trust and Wells Fargo Bank, N A, incorporated herein by reference to Exhibit 10.11.3 to the Annual Report on Form 10-K, filed on August 27, 2010.	Incorporated by Reference
10.1.4	Amendment No. 1, dated August 20, 2010, to Sale and Servicing Agreement, dated February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated herein by reference to Exhibit 10.11.4 to the Annual Report on Form 10-K, filed on August 27, 2010.	Incorporated by Reference
10.1.5	Omnibus Amendment to the Sale and Servicing Agreement, the Indenture and Note Purchase Agreement, dated February 17, 2011, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG, New York Branch, and Wells Fargo Bank, National Association, incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on February 22, 2011.	Incorporated by Reference
10.1.6	Fourth Omnibus Amendment to the Sale and Servicing Agreement, the Indenture, the Custodian Agreement and the Note Purchase Agreement, dated May 10, 2012, among AmeriCredit Syndicated Warehouse Trust, as Issuer, AmeriCredit Funding Corp. XI, as a Seller, AmeriCredit Financial Services, Inc., as a Seller and as Servicer, Deutsche Bank AG, New York Branch, as Administrative Agent, Wells Fargo Bank, National Association, as Trustee, Backup Servicer and Trust Collateral Agent, the Purchasers that are party to the Note Purchase Agreement and the Agents that are party to the Note Purchase Agreement, , incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on May 11, 2012.	Incorporated by Reference
10.2	2011-A Servicing Supplement, dated January 31, 2011, among ACAR Leasing Ltd., AmeriCredit Financial services, Inc., APGO Trust and Wells Fargo Bank, National Association, incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on February 4, 2011.	Incorporated by Reference
10.2.1	Indenture, dated January 31, 2011, among GMF Leasing Warehouse Trust, Wells Fargo Bank, National Association, AmeriCredit Financial services, Inc., Deutsche Bank AG, New York Branch, and JPMorgan Chase Bank, N.A., incorporated herein by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed on February 4, 2011.	Incorporated by Reference

Exhibit No.	Description	
10.2.2	Second Omnibus Amendment to the Credit and Security Agreement, the 2011-A Exchange Note Supplement, the Indenture, the Note Purchase Agreement, the Amended and Restated Servicing Agreement and the 2011-A Servicing Supplement, dated January 30, 2012, by and among GMF Leasing Warehouse Trust, as Issuer, AmeriCredit Financial Services, Inc., ACAR Leasing Ltd., as Titling Trust, GMF Leasing LLC, as Seller, APGO Trust, as Settlor, Deutsche Bank AG, New York Branch, as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the DB Purchaser Group, JPMorgan Chase Bank, N.A., as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the JPM Purchaser Group, and Wells Fargo Bank, National Association, as Administrative Agent (under the 2011-A Exchange Note Supplement and the Credit and Security Agreement), Collateral Agent, Indenture Trustee and 2011-A Exchange Noteholder, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on February 3, 2012.	Incorporated by Reference
10.2.3	Third Omnibus Amendment to the Credit and Security Agreement, the 2011-A Exchange Note Supplement, the Indenture, the Note Purchase Agreement and the 2011-A Servicing Supplement, dated January 25, 2013, by and among GMF Leasing Warehouse Trust, as Issuer, AmeriCredit Financial Services, Inc., ACAR Leasing Ltd., as Titling Trust, GMF Leasing LLC, as Seller, APGO Trust, as Settlor, Deutsche Bank AG, New York Branch, as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the DB Purchaser Group, JPMorgan Chase Bank, N.A., as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the JPM Purchaser Group, and Wells Fargo Bank, National Association, as Administrative Agent (under the 2011-A Exchange Note Supplement), Collateral Agent, Indenture Trustee and 2011-A Exchange Noteholder, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on January 31, 2013.	Incorporated by Reference
10.3	2011-A Servicing Supplement, dated July 15, 2011, among GM Financial Canada Leasing Ltd., FinanciaLinx Corporation, GMF Canada Leasing Trust, Deutsche Bank AG, Canada Branch, and BMO Nesbitt Burns Inc., incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.1	Series 2011-A Indenture Supplement, dated July 15, 2011, among ComputerShare Trust Company of Canada, BNY trust Company of Canada, Deutsche Bank AG, Canada Branch and BMO Nesbitt Burns Inc., incorporated herein by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.2	Note Purchase Agreement, dated July 15, 2011, among GMF Canada Leasing Trust, FinanciaLinx Corporation, GM Financial Canada Leasing Ltd., Deutsche Bank AG, Canada Branch, BMO Nesbitt Burns Inc. and BNY Trust Company of Canada, incorporated herein by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.3	First Omnibus Amendment to the 2011-A Borrower Note Supplement, the Note Purchase Agreement, the Servicing Agreement and the 2011-A Servicing Supplement, dated as of July 13, 2012, by and among Computershare Trust Company of Canada in its capacity as trustee of GMF Canada Leasing Trust, as Issuer, GM Financial Canada Leasing Ltd., as Borrower, FinanciaLinx Corporation, individually and in its capacity as Servicer, Deutsche Bank AG, Canada Branch, as an Administrative Agent, BMO Nesbitt Burns Inc., as an Administrative Agent, BNY Trust Company of Canada, as Indenture Trustee, the Purchasers identified on the signature pages thereto, AmeriCredit Financial Services, Inc., as Performance Guarantor, and the Agents identified on the signature pages thereto, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on July 19, 2012.	Incorporated by Reference
10.4	Second Amended and Restated Three Year Revolving Credit Agreement, dated as of May 26, 2016, among General Motors Company, General Motors Financial Company, Inc., GM Europe Treasury Company AB, General Motors do Brasil Ltda., the other subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, Banco do Brasil S.A., as administrative agent for the Brazilian lenders, and Citibank, N.A., as syndication agent incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on June 2, 2016.	Incorporated by Reference
10.5	Purchase and Sale Agreement, dated as of November 21, 2012, among Ally Financial Inc., General Motors Financial Company, Inc. and General Motors Company, incorporated herein by reference to Exhibit 10.10 to the Annual Report on Form 10-K, filed on February 15, 2013.	Incorporated by Reference

GENERAL MOTORS FINANCIAL COMPANY, INC.

Exhibit No.	Description	
10.6	Share Transfer Agreement, dated as of November 21, 2012, between Ally Financial Inc. and General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed on May 2, 2013.	Incorporated by Reference
10.7	Share and Interest Purchase Agreement, dated as of December 19, 2013, between General Motors Financial Company, Inc. and GM Europe Service GmbH, incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K, filed on February 6, 2014.	Incorporated by Reference
10.8	Support Agreement, dated as of September 4, 2014, between General Motors Company and General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on September 4, 2014.	Incorporated by Reference
10.9	Second Amended and Restated Five Year Revolving Credit Agreement, dated as of May 26, 2016, among General Motors Company, General Motors Financial Company, Inc., General Motors do Brasil Ltda., the other subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, Banco do Brasil S.A., as administrative agent for the Brazilian lenders, and Citibank, N.A., as syndication agent, incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed on June 2, 2016.	Incorporated by Reference
12.1	Computation of Ratio of Earnings to Fixed Charges	Filed Herewith
23.1	Consent of Independent Registered Public Accounting Firm	Filed Herewith
31.1	Officers' Certifications of Periodic Report pursuant to Section 302 of Sarbanes-Oxley Act of 2002	Filed Herewith
32.1	Officers' Certifications of Periodic Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002	Filed Herewith
101.INS*	XBRL Instance Document	Filed Herewith
101.SCH*	XBRL Taxonomy Extension Schema Document	Filed Herewith
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	Filed Herewith
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	Filed Herewith
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	Filed Herewith
101.PRE*	XBRL Taxonomy Presentation Linkbase Document	Filed Herewith

* Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

Exhibit 12.1

GENERAL MOTORS FINANCIAL COMPANY, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(dollars in millions)

	Years Ended December 31,				
	2016	2015	2014	2013	2012
COMPUTATION OF EARNINGS:					
Income before income taxes and equity income	$ 891	$ 721	$ 815	$ 883	$ 744
Fixed charges	2,118	1,609	1,402	724	319
	$ 3,009	$ 2,330	$ 2,217	$ 1,607	$ 1,063
COMPUTATION OF FIXED CHARGES:					
Fixed charges:[(a)]					
Interest expense[(b)]	$ 2,108	$ 1,600	$ 1,393	$ 717	$ 315
Implicit interest in rent	10	9	9	7	4
	$ 2,118	$ 1,609	$ 1,402	$ 724	$ 319
RATIO OF EARNINGS TO FIXED CHARGES	1.4X	1.4X	1.6X	2.2X	3.3X

____

(a) For purposes of such computation, the term "fixed charges" represents interest expense, including amortization of debt issuance costs, and a portion of rentals representative of an implicit interest factor for such rentals.

(b) For 2015, 2014, 2013, and 2012 interest expense excludes $(16) million, $(33) million, $(4) million and $32 million of purchase accounting adjustments.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-206678 on Form S-3 of our report dated February 7, 2017, relating to the consolidated financial statements of General Motors Financial Company, Inc. and subsidiaries appearing in this Annual Report on Form 10-K of General Motors Financial Company, Inc. for the year ended December 31, 2016.

/s/Deloitte & Touche LLP
Fort Worth, Texas
February 7, 2017

Exhibit 31.1

GENERAL MOTORS FINANCIAL COMPANY, INC.

CERTIFICATIONS

I, Daniel E. Berce, certify that:

(1) I have reviewed the Annual Report on Form 10-K of General Motors Financial Company, Inc. (the "Company") for the year ended December 31, 2016 (this "report");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have: (i) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (ii) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (iii) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report; and (iv) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the Company's auditors and to the Audit Committee of the Company's Board of Directors (or persons performing equivalent functions): (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: February 7, 2017

/s/ Daniel E. Berce

Daniel E. Berce
President and Chief Executive Officer

Exhibit 31.1

GENERAL MOTORS FINANCIAL COMPANY, INC.

I, Chris A. Choate, certify that:

(1) I have reviewed the Annual Report on Form 10-K of General Motors Financial Company, Inc. (the "Company") for the year ended December 31, 2016 (this "report");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have: (i) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (ii) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (iii) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (iv) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the Company's auditors and to the Audit Committee of the Company's Board of Directors (or persons performing equivalent functions): (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: February 7, 2017

/s/ Chris A. Choate

Chris A. Choate

Executive Vice President and Chief Financial Officer

Exhibit 32.1

GENERAL MOTORS FINANCIAL COMPANY, INC.

CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 906 OF SARBANES-OXLEY ACT OF 2002

I, Daniel E. Berce, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 7, 2017

/s/ Daniel E. Berce

Daniel E. Berce
President and Chief Executive Officer

Exhibit 32.1

GENERAL MOTORS FINANCIAL COMPANY, INC.

**CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 906
OF SARBANES-OXLEY ACT OF 2002**

I, Chris A. Choate, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 7, 2017

/s/ Chris A. Choate

Chris A. Choate

Executive Vice President and Chief Financial Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period _______________ to _______________
Commission file number 1-10667

General Motors Financial Company, Inc.
(Exact name of registrant as specified in its charter)

Texas	**75-2291093**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

801 Cherry Street, Suite 3500, Fort Worth, Texas 76102
(Address of principal executive offices, including Zip Code)
(817) 302-7000
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act: None
(Title of each class)
Securities registered pursuant to Section 12(g) of the Act: None
(Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of February 2, 2016, there were 505 shares of the registrant's common stock, par value $1.00 per share, outstanding. All of the registrant's common stock is owned by General Motors Holdings LLC.

DOCUMENTS INCORPORATED BY REFERENCE
NONE

The registrant meets the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this form on the reduced disclosure format.

GENERAL MOTORS FINANCIAL COMPANY, INC.
INDEX TO FORM 10-K

FORWARD-LOOKING STATEMENTS

This Form 10-K 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 ("SEC"), including this Annual Report on Form 10-K for the year ended December 31, 2015. It is advisable not to place undue reliance on our 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.

The following factors are among those that may cause actual results to differ materially from historical results or from the forward-looking statements:

- changes in general economic and business conditions;
- General Motors Company's ("GM") ability to sell new vehicles that we finance in the markets we serve in North America, Europe, Latin America and China;
- interest rate and currency fluctuations;
- our financial condition and liquidity, as well as future cash flows and earnings;
- competition;
- the effect, interpretation or application of new or existing laws, regulations, court decisions and accounting pronouncements;
- the availability and cost of sources of financing;
- the level of net charge-offs, delinquencies and prepayments on the loans and leases we originate;
- vehicle return rates and the residual value performance on vehicles we lease;
- the viability of GM-franchised dealers that are commercial loan customers;
- the prices at which used cars are sold in the wholesale auction markets; and
- changes in business strategy, including expansion of product lines and credit risk appetite, and acquisitions.

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.

INDUSTRY DATA

In this Form 10-K, we rely on and refer to information regarding the automobile finance industry from market research reports, analyst reports and other publicly available information.

PART I

ITEM 1. BUSINESS

General

General Motors Financial Company, Inc. (sometimes referred to as "we," "us," "our," the "Company,"or "GM Financial"), the wholly-owned captive finance subsidiary of GM, is a global provider of automobile finance solutions. We were acquired by GM in October 2010 to provide captive financing capabilities in support of GM's U.S. and Canadian markets. In 2013, we expanded the markets we serve by acquiring Ally Financial Inc.'s ("Ally Financial") auto finance operations in Europe and Latin America. On January 2, 2015, we completed the acquisition of an equity interest in SAIC-GMAC Automotive Finance Company Limited ("SAIC-GMAC"), a joint venture that conducts auto finance operations in China, from Ally Financial. Our global footprint now covers over 85% of GM's worldwide market, and we provide auto finance solutions around the world.

North America Segment

Our North America Segment includes operations in the U.S. and Canada. We have been operating in the automobile finance business in the U.S. since September 1992. Our retail automobile finance programs include prime and sub-prime lending and full credit spectrum leasing offered through GM-franchised dealers under the "GM Financial" brand. We also offer a sub-prime lending product through non-GM-franchised and select independent dealers under the "AmeriCredit" brand. Our sub-prime lending program is designed to serve customers who have limited access to automobile financing through banks and credit unions. We therefore generally charge higher rates than those charged by banks and credit unions and expect to sustain a higher level of credit losses than on prime lending. Our commercial lending programs are offered primarily for GM-franchised dealers.

International Segment

Our International Segment includes operations in Europe and Latin America. European countries include Austria, Belgium, France, Germany, Greece, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland and the United Kingdom ("U.K."). Latin American countries include Brazil, Chile, Colombia, Mexico and Peru. The international operations have extensive histories in their respective regions of operation and broad global capabilities, having operated in Europe for over 90 years, Mexico and Brazil for over 70 years, and Chile and Colombia for over 30 years. The international operations were originally a part of General Motors Acceptance Corporation, the former captive finance subsidiary of GM. Due to this longstanding relationship, the international operations have substantial business related to GM and its dealer network. Additionally, we support GM auto sales in China through our joint venture relationship with SAIC-GMAC.

Retail Finance

In our retail finance business, use of the term "loan" refers to retail installment contracts we purchase from automobile dealers or other vehicle financing products.

Marketing. As an indirect auto finance provider, we focus our marketing activities on automobile dealers. We primarily pursue franchised dealerships with new and used car operations; however, we also conduct business with a limited number of independent dealerships. We generally finance new GM vehicles, moderately-priced new vehicles from other manufacturers, and later-model, low-mileage used vehicles.

In both segments, we maintain non-exclusive relationships with the dealers and actively monitor our dealer relationships with the objective of maximizing the volume of retail financing applications received from dealerships with whom we do business that meet our underwriting standards and profitability objectives. Due to the non-exclusive nature of our relationships with dealers, the dealers retain discretion to determine whether to obtain financing from us or from another source for a customer seeking to make a vehicle purchase.

Subvention Programs. GM offers subvention programs, under which GM provides us cash payments in order for us to be able to provide lower payments on finance and lease contracts we purchase from GM's dealership network, making credit more affordable to customers purchasing vehicles manufactured by GM.

Origination Data. Our business strategy is to help GM sell vehicles while earning an appropriate risk-adjusted return. This includes increasing new GM automobile sales by offering a broad spectrum of competitive financing programs. Our increasing linkage with GM in North America is evidenced by the percentage of loans and leases we originate for new GM vehicles, which increased to 84% of our total retail originations volume in 2015, up from 65% in 2014.

The following table sets forth the retail loan and lease origination levels for the North America and International Segments (in millions):

	Years Ended December 31,					
	2015			2014		
	North America	International[(a)]	Total	North America	International[(a)]	Total
New GM	$ 26,178	$ 5,700	$ 31,878	$ 8,380	$ 7,261	$ 15,641
Other	4,874	984	5,858	4,560	1,053	5,613
Total	$ 31,052	$ 6,684	$ 37,736	$ 12,940	$ 8,314	$ 21,254

____

(a). Originations in the International Segment decreased due to the impact of foreign currency translation.

Underwriting. We utilize proprietary credit scoring systems to support our credit approval process. The credit scoring systems were developed through statistical analysis of customer demographics, credit bureau attributes and portfolio databases and are tailored to each country where we conduct business. Credit scoring is used to differentiate credit applications and to statistically rank-order credit risk in terms of expected default rates, which enables us to evaluate credit applications for approval, contract pricing and structure.

In addition to our proprietary credit scoring systems, we utilize other underwriting guidelines. These underwriting guidelines are comprised of numerous evaluation criteria, including, but not limited to: (i) identification and assessment of the applicant's willingness and capacity to repay the loan or lease, including consideration of credit history and performance on past and existing obligations; (ii) credit bureau data; (iii) collateral identification and valuation; (iv) payment structure and debt ratios; (v) insurance information; (vi) employment, income and residency verifications, as considered appropriate; and (vii) in certain cases, the creditworthiness of a co-obligor. These underwriting guidelines, and the minimum credit risk profiles of applicants we will approve as rank-ordered by our credit scorecards, are subject to change from time to time based on economic, competitive and capital market conditions as well as our overall origination strategies.

Servicing. Our business strategy includes increasing the loyalty and retention of GM customers through our customer service activities. Our servicing activities include collecting and processing customer payments, responding to customer inquiries, initiating contact with customers who are delinquent, maintaining our security interest in financed vehicles, monitoring physical damage insurance coverage of financed vehicles, and arranging for the repossession of financed vehicles, liquidation of collateral and pursuit of deficiencies when appropriate.

Operating Leases. Most of our operating leases are closed-end leases; therefore, we assume the residual risk on the leased vehicle. The lessee may purchase the leased vehicle at lease end by paying the purchase price stated in the lease contract, which equals the contract residual value determined at origination of the lease, plus any fees and all other amounts owed under the lease. If the lessee decides not to purchase the leased vehicle, the lessee must return it to the dealer by the lease's current scheduled lease end date. Extensions may be granted to the lessee for up to six months. If the lessee extends the maturity date on their lease contract, the lessee is responsible for additional monthly payments until the leased vehicle is returned or purchased.

A lessee may terminate a lease prior to the original scheduled lease maturity date. In order to terminate the lease prior to the scheduled lease maturity date, the lessee must pay the lesser of (i) all remaining monthly payments due under the lease, plus any charges for excess mileage, wear and use or (ii) the amount by which the carrying value of the lease exceeds the net sale proceeds received when the leased vehicle is sold.

We seek to maximize net sale proceeds on returned leased vehicles. Net sales proceeds equal gross auction proceeds less auction fees and costs for reconditioning and transporting the leased vehicles. We sell returned leased vehicles through our exclusive online channel, which is available to the dealer receiving the returned vehicle and other GM dealerships prior to broader dealer access and, if necessary, by disposition through our nationwide wholesale auction partners.

Commercial Finance

Overview. Our commercial lending products are offered primarily to GM-franchised dealers and their affiliates. These products consist of floorplan financing, also known as wholesale or inventory financing, which is lending to finance vehicle inventory, as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate. Other commercial products include parts and accessories and storage center financing.

Floorplan Financing. We support the financing of new and used vehicle inventory primarily for GM-franchised dealerships and their affiliates before sale or lease to the retail customer. Financing is provided through lines of credit extended to individual dealerships. In general, each floorplan line is secured by all financed vehicles and by other dealership assets and, when available, the continuing personal guarantee of the dealership's owners. Under certain circumstances, such as repossession of dealership inventory, GM and other manufacturers may be obligated by applicable law, or under agreements with us, to reassign or to repurchase new vehicle inventory within certain mileage and model year parameters, further minimizing our risk. The amount we advance to a dealership for new vehicles purchased through the manufacturer is equal to 100% of the wholesale invoice price of new vehicles, which includes destination and other miscellaneous charges, and a price rebate, known as a holdback, from the manufacturer to the dealer in varying amounts stated as a percentage of the invoice price. We advance the loan proceeds directly to the manufacturer. To support a dealership's used car inventory needs, we advance funds to the dealership or auction to purchase used vehicles for inventory based on the appropriate wholesale book value for the region in which the dealer is located.

Floorplan lending is typically structured to yield interest at a floating rate indexed to an appropriate benchmark rate. The rate for a particular dealership is based on, among other things, the dealership's creditworthiness, the amount of the credit line, the dealer's risk rating and whether or not the dealership is in default. Interest on floorplan loans is generally payable monthly.

Dealer Loans. We also make loans to finance parts and accessories as well as improvements to dealership facilities, to provide working capital and to purchase and finance dealership real estate. These loans are typically secured by mortgages or deeds of trust on dealership land and buildings, security interests in other dealership assets and often the continuing personal guarantees from the owners of the dealerships and/or the real estate, as applicable. Dealer loans are structured to yield interest at fixed or floating rates, which are indexed to an appropriate benchmark rate. Interest on dealer loans is generally payable monthly.

Underwriting. Each dealership is assigned a risk rating based on various factors, including, but not limited to, capital sufficiency, operating performance, financial outlook and credit and payment history, if available. The risk rating affects loan pricing and guides management of the account. We monitor the level of borrowing under each dealership's account daily. When a dealer's outstanding balance exceeds the availability on any given credit line with that dealership, we may reallocate balances across existing lines, temporarily suspend the granting of additional credit, increase the dealer's credit line or take other actions following an evaluation and analysis of the dealer's financial condition and the cause of the excess or overline. Under the terms of the credit agreement with the dealership, we may call the floorplan loans due and payable and receive payment typically within 60 days of the call.

Servicing. Commercial loan servicing activities include dealership customer service, account maintenance, exception processing, credit line monitoring and adjustment and insurance monitoring. In the North America Segment, our commercial lending servicing operations are centrally located, while in our International Segment, they are conducted primarily in-country, usually located within the retail lending and servicing centers.

Upon the sale or lease of a financed vehicle, the dealer must repay the advance on the vehicle according to the repayment terms. These repayment terms may vary based on the dealer's risk rating. As a result, funds advanced may be repaid in a short time period, depending on the length of time the dealer holds the vehicle until its sale. We periodically inspect and verify that the financed vehicles are on the dealership lot and available for sale. The timing of the verifications varies and no advance notice is given to the dealer. Among other things, verifications are intended to determine dealer compliance with its credit agreement as to repayment terms and to determine the status of our collateral.

Sources of Financing

We primarily finance our loan, lease and commercial origination volume through the use of our secured and unsecured credit facilities, through public and private securitization transactions where such markets are developed, through the issuance of unsecured debt in the public markets and by accepting deposits from retail banking customers in Germany. We seek to fund our operations through local sources of funding to minimize currency and country risk, but may obtain financing outside local markets as necessary to meet funding requirements and diversify funding sources. As such, the mix of funding sources varies from country to country, based on the characteristics of our earning assets and the relative development of the capital markets in each country. Our U.S., Canadian and Latin American operations are funded locally. Our European operations obtain most of their funding from local sources and also borrow funds from affiliated companies. We actively monitor the capital markets and seek to optimize our mix of funding sources to minimize our cost of funds.

Secured Credit Facilities. Some loans and leases are funded using secured credit facilities with participating banks providing financing either directly or through institutionally-managed commercial paper conduits. Under these funding agreements, we transfer financial assets to special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the bank participants or agents, collateralized by such financial assets. The bank participants or agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of financial assets. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the assets held by these subsidiaries are legally owned by them and are not available to our creditors or creditors of our other subsidiaries. Advances under our funding agreements bear interest at commercial paper, London Interbank Offered Rates ("LIBOR"), Canadian Dollar Offered Rate ("CDOR"), Euro Interbank Offered Rate ("EURIBOR") or prime rates plus a credit spread and specified fees, depending upon the source of funds provided by the bank participants or agents. In certain markets in the International Segment, we also finance loans through the sale of receivables to banks under a full recourse arrangement.

Unsecured Credit Facilities. The International Segment uses unsecured bank credit facilities as a source of funding. Both committed and uncommitted credit facilities are utilized. The financial institutions providing the uncommitted facilities are not obligated to advance funds under them.

Securitizations. We also fund loans and leases through public and private securitization transactions. Proceeds from securitizations are primarily used to fund initial cash credit enhancement requirements in the securitization and to pay down borrowings under our credit facilities, thereby increasing availability thereunder for further originations.

In our securitizations, we transfer loans or lease-related assets to securitization trusts ("Trusts"), which issue one or more classes of asset-backed securities. The asset-backed securities are in turn sold to investors. When we transfer loans or lease-related assets to a Trust, we make certain representations and warranties regarding the loans and lease-related assets. These representations and warranties pertain to specific aspects of the loans or leases, including the origination of the loans or leases, the obligors of the loans or leases, the accuracy and legality of the records, schedules containing information regarding the loans or leases, the financed vehicles securing the loans or leases, the security interests in the loans or leases, specific characteristics of the loans or leases, and certain matters regarding our servicing of the loans or leases, but do not pertain to the underlying performance of the loans or leases. Upon the breach of one of these representations or warranties (subject to any applicable cure period) that materially and adversely affects the noteholders' interest in any loan or lease, we are obligated to repurchase the loan or lease from the Trust. Historically, repurchases due to a breach of a representation or warranty have been insignificant.

We utilize senior subordinated securitization structures which involve the public and private sale of subordinated asset-backed securities to provide credit enhancement for the senior, or highest rated, asset-backed securities. The level of credit enhancement in future senior subordinated securitizations will depend, in part, on the net interest margin, collateral characteristics and credit performance trends of the assets transferred, as well as our credit trends and overall auto finance industry credit trends. Credit enhancement levels may also be impacted by our financial condition, the economic environment and our ability to sell lower-rated subordinated bonds at rates we consider acceptable.

The credit enhancement requirements in our securitization transactions may include restricted cash accounts that are generally established with an initial deposit and may subsequently be funded through excess cash flows from securitized assets. An additional form of credit enhancement is provided in the form of overcollateralization, whereby the value of the loans or lease-related assets transferred to the Trusts is greater than the amount due on asset-backed securities issued by the Trusts. In the International Segment, our securitization transactions typically contain portfolio performance ratios which could increase the minimum credit enhancement levels. In the North America Segment, our securitization transactions typically do not contain these performance ratios.

Senior Notes, Retail Customer Deposits and Other Unsecured Debt. We also access the capital markets in the North America and International Segments through the issuance of senior unsecured notes in the public markets. In Germany, we accept deposits from retail banking customers. In Latin America, we issue, to a limited extent, other unsecured debt through commercial paper offerings and other non-bank funding instruments.

GM also provides us with financial resources through a $1.0 billion unsecured intercompany revolving credit facility (the "Junior Subordinated Revolving Credit Facility").

Trade Names

We and GM have obtained federal trademark protection for the "AmeriCredit," "GM Financial" and "GMAC" names and the logos that incorporate those names. Certain other names, logos and phrases we use in our business operations have also been trademarked.

Regulation

Our operations are subject to regulation, supervision and licensing by governmental authorities under various national, state and local laws and regulations.

North America Segment

In the U.S., we are subject to extensive federal regulation, including the Truth in Lending Act, the Equal Credit Opportunity

Act and the Fair Credit Reporting Act. Additionally, we are subject to the Gramm-Leach-Bliley Act, which requires us to maintain the privacy of certain consumer data in our possession and to periodically communicate with consumers on privacy matters, and the Servicemembers Civil Relief Act, which has limitations on the interest rate charged to customers who have subsequently entered military service, and provides other protections such as early lease termination and restrictions on repossession.

The primary federal agency responsible for ensuring compliance with these consumer protection laws is the Consumer Financial Protection Bureau ("CFPB"). The CFPB has broad rule-making, examination and enforcement authority over non-bank automobile finance companies such as us. On August 31, 2015, we became subject to supervision and examination by the CFPB as a "larger participant" in the automobile finance market.

In most states and other jurisdictions in which we operate, a consumer credit regulatory agency regulates and enforces laws relating to sales finance companies and consumer lenders or lessors like us. These laws and regulations generally provide for licensing as a sales finance company or consumer lender or lessor, limitations on the amount, duration and charges, including interest rates, requirements as to the form and content of finance contracts and other documentation, and restrictions on collection practices and creditors' rights. In certain jurisdictions, we are subject to periodic examination by regulatory authorities.

In Canada, we are subject to both federal and provincial laws and regulations, including the Interest Act, the Consumer Protection Acts and Cost of Credit Disclosure regulations. Additionally, we are subject to certain provincial Consumer Reporting Acts and the Personal Information Protection and Electronic Documents Act, as well as provincial counterparts, which regulates how we can collect, use, and/or disclose consumer's personal information.

International Segment

In certain countries in the International Segment, we operate in local markets as either banks or regulated finance companies and are subject to legal and regulatory restrictions which vary country to country and which may change from time to time. The regulatory restrictions, among other things, may require that the regulated entities meet certain minimum capital requirements, may restrict dividend distributions and ownership of certain assets, and may require certain disclosures to prospective purchasers and lessees and restrict certain practices related to the servicing of consumer accounts.

Competition

The automobile finance market is highly fragmented and is served by a variety of financial entities, including the captive finance affiliates of other major automotive manufacturers, banks, thrifts, credit unions, leasing companies and independent finance companies. Many of these competitors have substantial financial resources, highly competitive funding costs and significant scale and efficiency. Capital inflows from investors to support the growth of new entrants in the automobile finance market, as well as growth initiatives from more established market participants has resulted in generally increasing competitive conditions. While we have a competitive advantage when GM-sponsored subvention programs are offered through us to targeted GM dealers and their customers, our competitors often provide financing on terms more favorable to customers or dealers than we may offer. Many of these competitors also have long standing relationships with automobile dealerships and may offer the dealerships or their customers other products and services, which we may not currently provide.

Employees

At December 31, 2015, we employed 6,267 people in the U.S. and Canada and 1,916 in other countries. In the U.S. and Canada, none of our employees are a part of a collective bargaining agreement, and our relationships with employees are satisfactory.

Internationally, we participate in mandatory national collective bargaining agreements where required and maintain satisfactory working relationships with works councils and trade union representatives where they exist. Relationships with employees in general are good.

As of February 3, 2016, the names and ages of our executive officers and their positions with GM Financial are as follows:

Name (Age)	Present GMF Position (Effective Date)	Position Held During the Past Five Years if other than present GMF position (Effective Date)
Daniel E. Berce (62)	President and Chief Executive Officer (2005)	
Kyle R. Birch (55)	Executive Vice President and Chief Operating Officer - North America (2013)	Executive Vice President of Dealer Services (2003)
Mark F. Bole (52)	President, International Operations (2013)	Executive Vice President, International Operations for Ally Financial Inc. (2005)
Steven P. Bowman (48)	Executive Vice President and Chief Credit and Risk Officer (2005)	
Chris A. Choate (53)	Executive Vice President and Chief Financial Officer (2005)	
Connie Coffey (44)	Executive Vice President, Corporate Controller and Chief Accounting Officer (2014)	Executive Vice President, Corporate Controller (2012); and Senior Vice President, Accounting and Reporting (2002)
Michael S. Kanarios (45)	Executive Vice President and Chief Operating Officer, International Operations (2015)	Executive Vice President and Chief Financial Officer, International Operations (2013), Vice President and Chief Financial Officer, International Dealer Finance, Ally Financial Inc. (2008)
Susan B. Sheffield (49)	Executive Vice President and Treasurer (2014)	Executive Vice President, Corporate Finance (2008)

Available Information

We make available free of charge through our website, www.gmfinancial.com, our public securitization information and all materials that we file electronically with the SEC, including our reports on Form 10-K, Form 10-Q, Form 8-K, and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practical after filing or furnishing such material with or to the SEC.

The public may read and copy any materials we file with or furnish to the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website, www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

ITEM 1A. *RISK FACTORS*

The profitability and financial condition of our operations are dependent upon the operations of our parent, GM.

A material portion of our retail finance business, and substantially all our commercial lending activities, consist of financing associated with the sale and lease of new GM vehicles and our relationship with GM-franchised dealerships. If there were significant changes in GM's liquidity and capital position and access to the capital markets, the production or sales of GM vehicles to retail customers, the quality or resale value of GM vehicles, or other factors impacting GM or its products, such changes could significantly affect our profitability, financial condition, and access to the capital markets. In addition, GM sponsors special-rate financing programs available through us. Under these programs, GM makes interest supplements or other support payments to us. These programs increase our financing volume and our share of financed GM vehicle sales. If GM were to adopt marketing strategies in the future that de-emphasized such programs in favor of other incentives, our financing volume could be reduced.

There is no assurance that the global automotive market or GM's share of that market will not suffer downturns in the future, and any negative impact could in turn have a material adverse effect on our financial position, liquidity and results of operations.

We depend on the financial condition of GM dealers.

Our profitability is dependent on the financial condition of the GM-franchised dealerships in our commercial lending portfolio, including the levels of inventory dealers carry in response to retail demand for new GM vehicles and used vehicles, and the level of wholesale borrowing required by dealers for inventory acquisitions, construction projects to dealership facilities and working capital. Our business may be negatively affected if, during periods of economic slowdown or recession, dealers reduce borrowing for inventory purchases or for other purposes, or are unable to sell or otherwise liquidate vehicle inventories and repay their wholesale, real estate and other loans to us. Decreased retail demand for GM vehicles can also adversely impact the overall financial condition of GM-franchised dealerships, possibly increasing defaults and net loss rates in our commercial lending portfolio and adversely impacting our ability to grow and, ultimately, our financial condition, liquidity and results of operations.

Our ability to continue to fund our business is dependent on a number of financing sources.

We depend on various financing sources to finance our loan and lease originations and commercial lending business.

Dependence on Secured Financing

We utilize secured revolving credit facilities in most of our markets to fund our retail and commercial finance activities. As our volume of loan and lease originations increases, and as our commercial lending business grows, we will require the expansion of our borrowing capacity on our existing credit facilities or the addition of new revolving credit facilities. We cannot guarantee that our revolving credit facilities will continue to be available beyond the current maturity dates on reasonable terms or at all.

Some of our revolving credit facilities in Europe and Latin America are uncommitted, meaning that the lenders under these facilities are not obligated to fund borrowing requests and may terminate the facilities at any time and for any reason. The availability of secured revolving credit facilities depends, in part, on factors outside of our control, including regulatory capital treatment for unfunded bank lines of credit, the financial strength and strategic objectives of the banks that participate in our credit facilities and the availability of bank liquidity in general. If we are unable to extend or replace these facilities or arrange new credit facilities or other types of interim financing, we will have to curtail or suspend origination and funding activities, which would have a material adverse effect on our financial position, liquidity and results of operations.

Most of our revolving credit facilities contain borrowing bases or advance formulas which require us to pledge loans and lease-related assets in excess of the amounts which we can borrow under those facilities. Accordingly, credit deterioration in pledged collateral resulting from weakened economic conditions or any other factor, would require us to pledge additional finance and lease assets to support the same borrowing levels and to replace delinquent or defaulted collateral. The pledge of additional finance and lease assets to support our revolving credit facilities would adversely impact our financial position, liquidity and results of operations.

Additionally, certain revolving credit facilities contain various covenants requiring certain minimum financial ratios, asset quality, and portfolio performance ratios (portfolio net loss and delinquency ratios, and pool level cumulative net loss ratios) as well as limits on deferment levels. Failure to meet any of these covenants could result in an event of default under these agreements. If an event of default occurs under these agreements, the lenders could elect to declare all amounts outstanding under these agreements to be immediately due and payable, enforce their interests against collateral pledged under these agreements or restrict our ability to obtain additional borrowings under these facilities.

Dependence on Securitization Programs

In the North America Segment and in Europe, we rely upon our ability to transfer loan and lease assets to securitization trusts and sell securities in the asset-backed securities market to generate cash proceeds for repayment of credit facilities and to generate additional assets. Accordingly, adverse changes in our asset-backed securities program or in the asset-backed securities market in general have in the past, and could in the future, materially adversely affect our ability to originate and securitize loans and leases on a timely basis and upon terms acceptable to us. Any adverse change or delay would have a material adverse effect on our financial position, liquidity and results of operations.

We will continue to require the execution of securitization transactions in order to fund our future liquidity needs. There can be no assurance that funding will be available to us through these sources or, if available, that it will be on terms acceptable to us. If these sources of funding are not available to us on a regular basis for any reason, including the occurrence of events of default, deterioration in loss experience on the collateral, disruption of the asset-backed market or otherwise, we would be required to revise the scale of our business, including the possible discontinuation of origination activities, which would have a material adverse effect on our financial position, liquidity and results of operations.

Dependence on Unsecured Debt Issuances

Our ability to obtain unsecured funding at a reasonable cost is dependent, in large part, on GM's and our credit ratings or perceived creditworthiness. Credit rating downgrades, market volatility, market disruption, or other factors may affect our ability to access the capital markets at a reasonable cost or at all. Our inability to issue unsecured debt could force us to limit the scale of our business. A significant reduction in the amount of loans or leases we purchase or originate would have a material adverse effect on our financial position, liquidity and results of operations.

To service our debt, we will require a significant amount of cash. Our ability to generate cash depends on many factors.

Our ability to make payments on or to refinance our indebtedness and to fund our operations depends on our ability to generate cash and our access to the capital markets in the future. These, to a certain extent, are subject to general economic, financial, competitive, legislative, regulatory, capital market conditions and other factors that are beyond our control.

We expect to continue to require substantial amounts of cash. Our primary cash requirements include the funding of:

- loan and lease purchases;
- advances to commercial lending customers;
- credit enhancement requirements in connection with securitization and credit facilities;
- interest and principal payments under our indebtedness;
- ongoing operating expenses;
- capital expenditures; and
- future acquisitions, if any.

Our primary sources of future liquidity are expected to be:

- payments on loans, leases and commercial lending receivables not securitized;
- distributions received from securitization trusts;
- servicing fees;
- borrowings under our credit facilities or proceeds from secured debt facilities;
- further issuances of other debt securities, both secured and unsecured; and
- retail deposits.

Because we expect to continue to require substantial amounts of cash for the foreseeable future, we anticipate that we will need additional credit facilities and require the execution of additional securitization transactions and additional debt financings including unsecured note offerings. The type, timing and terms of financing selected by us will be dependent upon our cash needs, the availability of other financing sources and the prevailing conditions in the capital markets. There can be no assurance that funding will be available to us through these sources or, if available, that the funding will be on acceptable terms. If we are unable to execute securitization transactions and unsecured debt issuances on a regular basis, we would not have sufficient funds to finance new originations and, in such event, we would be required to revise the scale of our business, which would have a material adverse effect on our ability to achieve our business and financial objectives.

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under existing indebtedness.

We currently have a substantial amount of outstanding indebtedness. In addition, we have guaranteed a substantial amount of indebtedness incurred by our International Segment and our principal Canadian operating subsidiary. As of December 31, 2015, we have guaranteed approximately $3.6 billion in such indebtedness. Additionally, we have entered into intercompany loan agreements with several of our subsidiaries in Europe and Latin America, providing these companies with access to liquidity to support originations and other activities. As of December 31, 2015, we have entered into $4.2 billion in such intercompany loan agreements, of which $45 million was outstanding. Our ability to make payments of principal and interest on, or to refinance, our indebtedness will depend on our future operating performance, and our ability to enter into additional credit facilities and securitization transactions as well as other debt financings, which, to a certain extent, are subject to economic, financial, competitive, regulatory, capital markets and other factors beyond our control.

If we are unable to generate sufficient cash flows in the future to service our debt, we may be required to refinance all or a portion of our existing debt or to obtain additional financing. There can be no assurance that any refinancings will be possible or that any additional financing could be obtained on acceptable terms. The inability to service or refinance our existing debt or to obtain additional financing would have a material adverse effect on our financial position, liquidity, and results of operations.

The degree to which we are leveraged creates risks, including:

- we may be unable to satisfy our obligations under our outstanding indebtedness;
- we may find it more difficult to fund future credit enhancement requirements, operating costs, tax payments, capital expenditures or general corporate expenditures;

- we may have to dedicate a substantial portion of our cash resources to payments on our outstanding indebtedness, thereby reducing the funds available for operations and future business opportunities; and
- we may be vulnerable to adverse general economic, capital markets and industry conditions.

Our credit facilities may require us to comply with certain financial ratios and covenants, including minimum asset quality maintenance requirements. These restrictions may interfere with our ability to obtain financing or to engage in other necessary or desirable business activities.

If we cannot comply with the requirements in our credit facilities, then our lenders may increase our borrowing costs, remove us as servicer or declare the outstanding debt immediately due and payable. If our debt payments were accelerated, any assets pledged to secure these facilities might not be sufficient to fully repay the debt. These lenders may foreclose upon their collateral, including the restricted cash in these credit facilities. These events may also result in a default under our senior note indentures. We may not be able to obtain a waiver of these provisions or refinance our debt, if needed. In such case, our financial condition, liquidity and results of operations would materially suffer.

Defaults and prepayments on loans and leases purchased or originated by us could adversely affect our operations.

Our financial condition, liquidity and results of operations depend, to a material extent, on the performance of loans and leases in our portfolio. Obligors under contracts acquired or originated by us, including dealer obligors in our commercial lending portfolio, may default during the term of their loan or lease. Generally, we bear the full risk of losses resulting from defaults. In the event of a default, the collateral value of the financed vehicle or, in the case of a commercial obligor, the value of the inventory and other commercial assets we finance usually does not cover the outstanding amount due to us, including the costs of recovery and asset disposition.

The amounts owed to us by any given dealership or dealership group in our commercial lending portfolio can be significant. The amount of potential loss resulting from the default of a dealer in our commercial lending portfolio can, therefore, be material even after liquidating the dealer's inventory and other assets to offset the defaulted obligation. Additionally, because the receivables in our commercial lending portfolio may include complex arrangements including guarantees, inter-creditor agreements, mortgages and other liens, our ability to recover and dispose of the underlying inventory and other collateral may be time-consuming and expensive, thereby increasing our potential loss.

We maintain an allowance for loan losses on our finance receivables which reflects management's estimates of inherent losses for these receivables. If the allowance is inadequate, we would recognize the losses in excess of that allowance as an expense and results of operations would be adversely affected. A material adjustment to our allowance for loan losses and the corresponding decrease in earnings could limit our ability to enter into future securitizations and other financings, thus impairing our ability to finance our business.

An increase in defaults would reduce the cash flows generated by us, and distributions of cash to us from our secured debt facilities would be delayed and the ultimate amount of cash distributable to us would be less, which would have an adverse effect on our liquidity.

Customer prepayments and dealer repayments on commercial obligations, which are generally revolving in nature, affect the amount of finance charge income we receive over the life of the loans. If prepayment levels increase for any reason and we are not able to replace the prepaid receivables with newly-originated loans, we will receive less finance charge income and our results of operations may be adversely affected.

Our operations are subject to regulation, supervision and licensing under various federal, state and local laws and regulations.

As an entity operating in the financial services sector, we are required to comply with a wide variety of laws and regulations that may be costly to adhere to and may affect both our operating results and our ability to service our earning assets. Compliance with these laws and regulations requires that we maintain forms, processes, procedures, controls and the infrastructure to support these requirements and these laws and regulations often create operational constraints both on our ability to implement servicing procedures and on pricing. Laws in the financial services industry are designed primarily for the protection of consumers. The failure to comply with these laws could result in significant statutory civil and criminal penalties for us, monetary damages, attorneys' fees and costs, possible revocation of licenses and damage to reputation, brand and valued customer relationships.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") is extensive and significant legislation that, among other things, strengthens the regulatory oversight of securities and capital markets activities by the SEC and increases the regulation of the securitization markets in the U.S. The various requirements of the Dodd-Frank Act may substantially impact the origination, servicing and securitization program of our subsidiaries.

The Dodd-Frank Act also created the CFPB, a federal agency that has extensive rulemaking and enforcement authority. The CFPB has indicated an intention to review the actions of indirect auto finance companies such as us with regard to pricing activities and issued a bulletin to such lenders on how to limit fair lending risk under the Equal Credit Opportunity Act. On August 31, 2015 we became subject to supervision and examination by the CFPB as a "larger participant" in the automobile finance market. Gaining supervisory power over nonbank lenders such as us will allow the agency to conduct comprehensive and rigorous on-site examinations that could result in enforcement actions, fines, and mandated process, procedure or product-related changes or consumer refunds if violations of law or unfair lending practices are found, which could have a material adverse effect on our financial condition and results of operations.

In July 2014, we were served with a subpoena by the U.S. Department of Justice directing us to produce certain documents relating to our and our subsidiaries' and affiliates' origination and securitization of sub-prime automobile loans since 2007 in connection with an investigation by the U.S. Department of Justice in contemplation of a civil proceeding for potential violations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Among other matters, the subpoena requests information relating to the underwriting criteria used to originate these automobile loans and the representations and warranties relating to those underwriting criteria that were made in connection with the securitization of the automobile loans. We have subsequently been served with additional investigative subpoenas to produce documents from state attorneys general and other governmental offices relating to our retail auto loan business and securitization of auto loans. In October 2014, we received a document request from the SEC in connection with its investigation into certain practices in sub-prime auto loan securitization. These investigations are ongoing and could in the future result in the imposition of damages, fines or civil or criminal claims and/or penalties. No assurance can be given that the ultimate outcome of the investigations or any resulting proceedings would not materially and adversely affect us or any of our subsidiaries and affiliates.

Our profitability is dependent upon retail demand for automobiles and related automobile financing and the ability of customers to repay loans and leases, and our business may be negatively affected during times of low automobile sales, fluctuating wholesale prices and lease residual values, rising interest rates, volatility in exchange rates and high unemployment.

General. We are subject to changes in general economic conditions that are beyond our control. During periods of economic slowdown or recession, delinquencies, defaults, repossessions and losses generally increase. These periods also may be accompanied by increased unemployment rates, decreased demand for automobiles and declining values of automobiles securing outstanding loans and leases, which weakens collateral coverage and increases the amount of a loss in the event of default. Additionally, higher gasoline prices, declining stock market values, unstable real estate values, increasing unemployment levels, general availability of consumer credit and other factors that impact consumer confidence or disposable income could increase loss frequency and decrease demand for automobiles as well as weaken collateral values on certain types of automobiles. In addition, during an economic slowdown or recession, our servicing costs may increase without a corresponding increase in our revenue. While we seek to manage these risks through the underwriting criteria and collection methods we employ, no assurance can be given that these criteria or methods will afford adequate protection against these risks. Any sustained period of increased delinquencies, defaults, repossessions or losses or increased servicing costs could adversely affect our financial position, liquidity, results of operations and our ability to enter into future securitizations and credit facilities.

Wholesale Auction Values. We sell repossessed automobiles at wholesale auction markets located throughout the countries where we have operations. Auction proceeds from the sale of repossessed vehicles and other recoveries are usually not sufficient to cover the outstanding balance of the contract, and the resulting deficiency is charged off. We also sell automobiles returned to us at the end of lease terms. Decreased auction proceeds resulting from the depressed prices at which used automobiles may be sold during periods of economic slowdown or slack retail demand will result in higher losses for us. Furthermore, depressed wholesale prices for used automobiles may result from significant liquidations of rental or fleet inventories, financial difficulties of new vehicle manufacturers, discontinuance of vehicle brands and models and increased volume of trade-ins due to promotional programs offered by new vehicle manufacturers. Additionally, higher gasoline prices may decrease the wholesale auction values of certain types of vehicles.

Leased Vehicle Residual Values and Return Rates. We project expected residual values and return volumes of the vehicles we lease. Actual proceeds realized by us upon the sale of a returned leased vehicle at lease termination may be lower than the amount projected, which reduces the profitability of the lease transaction to us. Among the factors that can affect the value of returned lease vehicles are the volume of vehicles returned, economic conditions and the quality or perceived quality, safety or reliability of the vehicles. Actual return volumes may be higher than expected and can be influenced by contractual lease-end values relative to then-existing values, marketing programs for new vehicles and general economic conditions. All of these, alone or in combination, have the potential to adversely affect the profitability of our lease program and financial results.

Interest Rates. Our profitability may be directly affected by the level of and fluctuations in interest rates, which affect the gross interest rate spread we earn on our portfolio. As the level of interest rates change, our net interest margin on new originations either increases or decreases since the rates charged on our loans and leases are generally fixed rates and are limited by market and competitive conditions, restricting our opportunity to pass on increased interest costs to the customer. We believe that our financial position, liquidity and results of operations could be adversely affected during any period of higher interest rates, possibly to a material degree.

Foreign Currency Exchange Rates. We are exposed to the effects of changes in foreign currency exchange rates. Changes in currency exchange rates cannot always be predicted or hedged. As a result, unfavorable changes in exchange rates could have an adverse effect on our financial condition, liquidity and results of operations.

Labor Market Conditions. Competition to hire and retain personnel possessing the skills and experience required by us could contribute to an increase in our employee turnover rate. High turnover or an inability to attract and retain qualified personnel could have an adverse effect on our delinquency, default and net loss rates, our ability to grow and, ultimately, our financial condition, liquidity and results of operations.

There is a high degree of risk associated with sub-prime borrowers.

A substantial portion of our origination and servicing activities in the North America Segment have historically involved sub-prime automobile receivables. Sub-prime borrowers are associated with higher-than-average delinquency and default rates. The actual rates of delinquencies, defaults, repossessions and losses with respect to those borrowers could also be more dramatically affected by a general economic downturn. While we believe that we effectively manage these risks with our proprietary credit scoring system, risk-based pricing and other underwriting policies, and our servicing and collection methods, no assurance can be given that these criteria or methods will be effective in the future. In the event that we underestimate the default risk or underprice contracts that we purchase, our financial position, liquidity and results of operations would be adversely affected, possibly to a material degree.

We do not control the operations of SAIC-GMAC, and we are subject to the risks of operating in China.

We do not control the operations of SAIC-GMAC, as it is a joint venture, and we do not have a majority interest in the joint venture. In the joint venture, we share ownership and management with other parties who may not have the same goals, strategies, priorities, or resources as we do and may compete with us outside the joint venture. Joint ventures are intended to be operated for the equal benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities, as well as time-consuming procedures for sharing information and making decisions. We are required to pay more attention to our relationship with our co-owners as well as with the joint venture, and if a co-owner changes or relationships deteriorate, our success in the joint venture may be materially adversely affected. The benefits from a successful joint venture are shared among the co-owners, and as such, we do not receive the full benefits from a successful joint venture. As a result of having limited control over the actions of the joint venture, we may be unable to prevent misconduct or other violations of applicable laws. Moreover, the joint venture may not follow the same requirements regarding internal controls and internal control over financial reporting that we follow. To the extent another party makes decisions that negatively impact the joint venture or internal control issues arise within the joint venture, we may have to take responsive or other action or we may be subject to penalties, fines or other related actions for these activities that could have a material adverse impact on our business, financial condition and results of operations. In addition, we are subject to the risks of operating in China. The automotive finance market in China is highly competitive and subject to significant governmental regulation. As the Chinese market continues to develop, we anticipate that additional competitors, both international and domestic, will seek to enter the Chinese market and that existing market participants will act aggressively to increase their market share. Increased competition may result in reduced margins and our inability to gain or hold market share. In addition, business in China is sensitive to economic and market conditions that drive sales volume in China. If SAIC-GMAC is unable to maintain its position in the Chinese market or if vehicle sales in China decrease or do not continue to increase, our business and financial results could be materially adversely affected.

A security breach or a cyber-attack could adversely affect our business.

A security breach or cyber-attack of our computer systems could interrupt or damage our operations or harm our reputation. If third parties or our employees are able to penetrate our network security or otherwise misappropriate our customers' personal information or contract information, or if we give third parties or our employees improper access to our customers' personal information or contract information, we could be subject to liability. This liability could include identity theft or other similar fraud-related claims. This liability could also include claims for other misuses or losses of personal information, including for unauthorized marketing purposes. Other liabilities could include claims alleging misrepresentation of our privacy and data security practices. We could also be subject to regulatory action in certain jurisdictions, particularly in North America and Europe.

We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential consumer information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. A party who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may be required to expend capital and other resources to protect against such security breaches or cyber-attacks or to alleviate problems caused by such breaches or attacks and our insurance coverage may not be adequate to cover all the costs related to such breaches or attacks. Our security measures are designed to protect against security breaches and cyber-attacks, but our failure to prevent such security breaches and cyber-attacks could subject us to liability, decrease our profitability and damage our reputation.

Our operations outside the U.S. expose us to additional risks.

The international operations are subject to many of the same risks as our U.S. operations. In addition to those risks, the international operations, including the operations of SAIC-GMAC, are subject to certain additional risks, such as the following:

- economic downturns in foreign countries or geographic regions where we have significant operations, such as Brazil and China;
- multiple foreign regulatory requirements that are subject to change;
- difficulty in establishing, staffing and managing foreign operations;
- differing labor regulations;
- consequences from changes in tax laws;
- restrictions on the ability to repatriate profits or transfer cash into or out of foreign countries and the tax consequences of such repatriations and transfers;
- devaluations in currencies;
- political and economic instability, natural calamities, war, and terrorism; and
- compliance with laws and regulations applicable to international operations, including anti-corruption laws such as the Foreign Corrupt Practices Act and international trade and economic sanctions laws.

The effects of these risks may, individually or in the aggregate, adversely affect our business.

ITEM 2. *PROPERTIES*

Our executive offices are located in Fort Worth, Texas. We operate credit centers, collections and customer service centers and administrative offices in leased facilities in North America, Europe and Latin America. Our joint venture partner operates in offices located in China.

ITEM 3. *LEGAL PROCEEDINGS*

In July 2014, we were served with a subpoena by the U.S. Department of Justice directing us to produce certain documents relating to our and our subsidiaries' and affiliates' origination and securitization of sub-prime automobile loans since 2007 in connection with an investigation by the U.S. Department of Justice in contemplation of a civil proceeding for potential violations of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Among other matters, the subpoena requests information relating to the underwriting criteria used to originate these automobile loans and the representations and warranties relating to those underwriting criteria that were made in connection with the securitization of the automobile loans. We have subsequently been served with additional investigative subpoenas to produce documents from state attorneys general and other governmental offices relating to our retail auto loan business and securitization of auto loans. In October 2014, we received a document request from the Securities and Exchange Commission in connection with its investigation into certain practices in sub-prime auto loan securitization. These investigations are ongoing and could in the future result in the imposition of damages, fines or civil or criminal claims and/or penalties. No assurance can be given that the ultimate outcome of the investigations or any resulting proceedings would not materially and adversely affect us or any of our subsidiaries and affiliates.

ITEM 4. *MINE SAFETY DISCLOSURE*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

All of our issued and outstanding equity securities are owned by a single holder, and there is not an established public trading market for our common stock. We have never paid cash dividends on our common stock. We presently intend to retain future earnings, if any, for use in the operation of the business and do not anticipate paying any cash dividends in the foreseeable future; provided, however, that we may reexamine this policy with our sole shareholder at any time.

ITEM 6. *SELECTED FINANCIAL DATA*

The table below summarizes selected financial information (in millions). For additional information, refer to the audited consolidated financial statements and notes thereto in Item 8. "Financial Statements and Supplementary Data."

	Years Ended December 31,				
	2015	2014	2013	2012	2011
Operating Data					
Finance charge income	$ 3,381	$ 3,475	$ 2,563	$ 1,594	$ 1,247
Leased vehicle income	2,807	1,090	595	289	98
Other revenue	266	289	186	77	65
Total revenue	$ 6,454	$ 4,854	$ 3,344	$ 1,960	$ 1,410
Net income	$ 646	$ 537	$ 566	$ 463	$ 386
Other Data					
Retail loan origination volume	$ 17,537	$ 15,085	$ 9,597	$ 5,579	$ 5,085
Retail lease origination volume	$ 20,199	$ 6,169	$ 2,830	$ 1,343	$ 987

	December 31,				
	2015	2014	2013	2012	2011
Balance Sheet Data					
Cash and cash equivalents	$ 3,061	$ 2,974	$ 1,074	$ 1,289	$ 572
Finance receivables, net	$ 36,781	$ 33,000	$ 29,282	$ 10,998	$ 9,162
Leased vehicles, net	$ 20,172	$ 7,060	$ 3,383	$ 1,703	$ 809
Total assets (a)	$ 65,904	$ 47,608	$ 37,916	$ 16,154	$ 13,020
Secured debt (b)	$ 30,689	$ 25,173	$ 22,039	$ 9,352	$ 8,021
Unsecured debt (c)	$ 23,657	$ 12,142	$ 6,933	$ 1,483	$ 494
Total liabilities (a)	$ 57,852	$ 40,216	$ 31,631	$ 11,775	$ 9,097
Shareholder's equity	$ 8,052	$ 7,392	$ 6,285	$ 4,379	$ 3,923

____

(a) For 2014, 2013, 2012 and 2011, $116 million, $74 million, $43 million and $23 million in debt issuance costs were reclassified from total assets to total liabilities due to our adoption of ASU 2015-03.

(b) For 2014, 2013, 2012 and 2011, $41 million, $34 million, $26 million and $16 million in debt issuance costs were reclassified to secured debt due to our our adoption of ASU 2015-03.

(c) For 2014, 2013, 2012 and 2011, $75 million, $40 million, $17 million and $7 million in debt issuance costs were reclassified to unsecured debt due to our adoption of ASU 2015-03.

Item 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

General

We are a global provider of automobile finance solutions, and we operate in the market as the wholly-owned captive finance subsidiary of GM. We conduct our business generally in two segments: the North America Segment, which includes our operations in the U.S. and Canada, and the International Segment, which includes operations in Austria, Belgium, Brazil, Chile, Colombia, France, Germany, Greece, Italy, Mexico, the Netherlands, Peru, Portugal, Spain, Sweden, Switzerland and the U.K. On January 2, 2015, we completed the acquisition of an equity interest in SAIC-GMAC Automotive Finance Company Limited ("SAIC-GMAC"), a joint venture that conducts auto finance operations in China, from Ally Financial.

Retail

Our automobile finance programs in the North America Segment include full credit spectrum lending and leasing offered through GM-franchised dealers under the "GM Financial" brand. We also offer a sub-prime lending product through non-GM franchised and select independent dealers under the "AmeriCredit" brand. Our sub-prime lending program is designed to serve customers who have limited access to automobile financing through banks and credit unions. We therefore generally charge higher rates than those charged by banks and credit unions and expect to sustain a higher level of credit losses than on prime lending. We finance new GM vehicles, moderately-priced new vehicles from other manufacturers, and later-model, low mileage used vehicles.

The retail lending and leasing programs in our International Segment focus on financing new GM vehicles and select used vehicles, predominantly for customers with prime credit scores. We also offer finance-related insurance products through third parties, such as credit life, gap and extended warranty coverage.

We are expanding our leasing and prime lending programs through GM-franchised dealerships in North America and expect that leasing and prime lending will become an increasing percentage of our originations and retail portfolio balance over time. Since April 2015, we have been the exclusive subvented lease provider for GM in the U.S. We define prime lending as lending to customers with FICO scores or equivalents of 680 and greater, near-prime lending as lending to customers with FICO scores or equivalents between 620 to 679, and sub-prime lending as lending to customers with FICO scores or equivalents of less than 620. The following table presents our retail loan and lease originations in North America by FICO score band or equivalents (in millions):

	Years ended December 31,					
	2015		2014		2013	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Prime	$ 19,978	64.3%	$ 5,060	39.1%	$ 2,011	25.3%
Near-prime	4,628	14.9	1,904	14.7	922	11.6
Sub-prime	6,446	20.8	5,976	46.2	5,023	63.1
Total originations	$ 31,052	100.0%	$ 12,940	100.0%	$ 7,956	100.0%

The following table summarizes the number of vehicles included in consolidated leased vehicles, net by vehicle type, of which the North America Segment accounted for more than 99% at December 31, 2015 and 2014:

	December 31,	
	2015	2014
Cars	270,677	138,629
Trucks	121,389	28,030
Crossovers	401,346	135,171
Total	793,412	301,830

The following table summarizes additional information for North America operating leases:

	Years ended December 31,		
	2015	2014	2013
Operating leases originated (a)	549,341	177,518	91,079
Operating leases terminated (b)	61,550	30,315	11,405
Operating lease vehicles returned (c)	25,019	11,936	3,508
Return rate (d)	41%	39%	31%

____

(a) *Operating leases originated represents the number of operating leases we purchase during a given period. In 2015, operating leases originated increased due to our exclusive subvention arrangement with GM implemented during 2015.*

(b) *Operating leases terminated represents the number of vehicles for which the lease has ended during a given period. Operating leases terminated increased due to the growth of the lease portfolio.*

(c) *Operating lease vehicles returned represents the number of vehicles returned to us at the end of the lease term. Operating lease vehicles returned increased due to the growth of the lease portfolio.*

(d) *Return rates are calculated as the number of operating leases returned divided by the number of operating leases terminated. Due to the age and size of our lease portfolio, the current return rates are lower than we expect them to become as our lease portfolio grows and matures.*

Commercial

Our commercial lending program is offered primarily to our GM-franchised dealer customers and their affiliates. Commercial lending products consist of floorplan financing, also known as wholesale or inventory financing, which is lending to finance vehicle inventory, as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate. Other commercial products include parts and accessories, dealer fleet financing and storage center financing.

We establish new and used vehicle inventory credit lines at the time of dealer account acquisition, subject to revision as part of subsequent annual credit reviews. The maximum availability on these credit lines is based upon a dealer’s monthly vehicle sales rate and financial strength at the time of account acquisition or annual review, as applicable. At times, a dealer’s vehicle inventory needs may exceed its credit line availability for a number of reasons, such as seasonal factory build-out, planned marketing events, reductions in sales, or other business and seasonal factors. When a dealer's needs require that its outstanding balance be allowed to exceed the maximum availability under its credit line(s), we may accept a temporary overline situation, reallocate credit amounts among existing lines, temporarily or permanently increase the dealer's credit line, or suspend the dealer's credit lines. The action we take depends on communications with the dealer, analysis of the dealer's financial condition and the underlying cause of the need for the overline.

Financing

We primarily finance our loan, lease and commercial originations through the use of our secured and unsecured credit facilities, through public and private securitization transactions where such markets are developed, through the issuance of unsecured debt in the public markets and by accepting deposits from retail banking customers in Germany. Generally, we seek to fund our operations through local sources of funding to minimize currency and country risk. As such, the mix of funding sources varies from country to country, based on the characteristics of our earning assets and the relative development of the capital markets in each country. Our U.S.,Canadian and Latin American operations are funded locally. Our European operations obtain most of their funding from local sources and also borrow funds from affiliated companies.

GM also provides us with a $1.0 billion unsecured intercompany revolving credit facility (the "Junior Subordinated Revolving Credit Facility").

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and costs and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. The accounting estimates that we believe are the most critical to understanding and evaluating our reported financial results include the following:

Retail Finance Receivables and the Allowance for Loan Losses

Our retail finance receivables portfolio consists of smaller-balance, homogeneous loans which are carried at amortized cost, net of allowance for loan losses. These loans are divided among pools based on common risk characteristics, such as internal credit score, origination period, delinquent status and geography. An internal credit score, of which FICO is an input in North America, is created by using algorithms or statistical models contained in origination scorecards. The scorecards are used to evaluate a consumer’s ability to pay based on statistical modeling of their prior credit usage, structure of the loan and other information. The output of the scorecards rank-order consumers from those that are most likely to pay to those that are least likely to pay. By further dividing the portfolio into pools based on internal credit scores we are better able to distinguish expected credit performance for different credit risks.These pools are collectively evaluated for impairment based on a statistical calculation, which is supplemented by management judgment. The allowance is aggregated for each of the pools. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable losses inherent in our finance receivables.

We use a combination of forecasting methodologies to determine the allowance for loan losses, including roll rate modeling and static pool modeling techniques. A roll rate model is generally used to project near term losses and static pool models are generally used to project losses over the remaining life. Probable losses are estimated for groups of accounts aggregated by past-due status and origination month. Generally, up to the last 10 years of loss experience is evaluated. Recent performance is more heavily weighted when determining the allowance to result in an estimate that is more reflective of the current internal and external environments. Factors that are considered when estimating the allowance include historical delinquency migration to loss, probability of default ("PD") and loss given default ("LGD"). PD and LGD are specifically estimated for each monthly vintage (i.e., group of originations) in cases where vintage models are used. PD is estimated based on expectations that are aligned with internal credit scores. LGD is projected based on historical trends experienced over the last 10 years, weighted toward more recent performance in order to consider recent market supply and demand factors that impact wholesale used vehicle pricing. While forecasted probable losses are quantitatively derived, we assess the recent internal operating and external environments and may qualitatively adjust certain assumptions to result in an allowance that is more reflective of losses that are expected to occur in the current environment.

We also use historical charge-off experience to determine a loss confirmation period ("LCP"). The LCP is a key assumption within our models and represents the average amount of time between when a loss event first occurs to when the receivable is charged-off. This LCP is the basis of our allowance and is applied to the forecasted probable credit losses to determine the amount of losses we believe exist at the balance sheet date.

We believe these factors are relevant in estimating incurred losses and also consider an evaluation of overall portfolio credit quality based on indicators such as changes in our credit evaluation, underwriting and collection management policies, changes in the legal and regulatory environment, general economic conditions and business trends and uncertainties in forecasting and modeling techniques used in estimating our allowance. We update our retail loss forecast models and portfolio indicators on a quarterly basis to incorporate information reflective of the current economic environment.

Assumptions regarding credit losses and loss confirmation periods are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above. Should the credit loss assumption or loss confirmation period increase, there would be an increase in the amount of allowance for loan losses required, which would decrease the net carrying value of finance receivables and increase the amount of provision for loan losses.

Finance receivables that are considered impaired, including troubled debt restructurings ("TDRs"), are individually evaluated for impairment. In assessing the risk of individually impaired loans such as TDRs, among the factors we consider are the financial condition of the borrower, geography, collateral performance, historical loss experience, and industry-specific information that management believes is relevant in determining the occurrence of a loss event and measuring impairment. These factors are based on an evaluation of historical and current information, and involve subjective assessment and interpretation.

We believe that the allowance for loan losses on retail finance receivables is adequate to cover probable losses inherent in our retail finance receivables; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase. A 10% and 20% increase in cumulative charge-offs after recoveries on the portfolio over the loss confirmation period would increase the allowance for loan losses at December 31, 2015 by $74 million and $147 million.

Credit losses is a non-U.S. Generally Accepted Accounting Principle ("U.S. GAAP") measure. See "Credit Quality - Credit Losses - non-U.S. GAAP measure" for a reconciliation of charge-offs to credit losses on the combined portfolio.

Commercial Finance Receivables and Allowance for Loan Losses

Commercial finance receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable credit losses inherent in the commercial finance receivables. For the International Segment, we established the allowance for loan losses based on historical loss experience. Since we began offering commercial lending in the North America Segment in 2012, we performed an analysis of the experience of comparable commercial lenders in order to estimate probable credit losses inherent in our portfolio. The commercial finance receivables are aggregated into loan-risk pools, which are determined based on our internally-developed risk rating system. Based upon our risk ratings, we also determine if any specific dealer loan is considered impaired. If impaired loans are identified, specific reserves are established, as appropriate, and the loan is segregated for separate monitoring.

Upon the sale or lease of a financed vehicle, the dealer must repay the advance on the vehicle according to the repayment terms. These repayment terms may vary based on the dealer's risk rating. As a result, funds advanced may be repaid in a short time period, depending on the length of time the dealer holds the vehicle until its sale or lease.

We believe that the allowance for loan losses for commercial finance receivables is adequate to cover probable losses inherent in our portfolio; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase. A 10% and 20% increase in cumulative charge-offs on the commercial finance receivable portfolio over the loss confirmation period would increase the allowance for loan losses at December 31, 2015 by $5 million and $9 million.

Expected losses on our commercial loans are lower than expected losses on our retail loans because commercial loans are secured not only by the financed vehicles, but also other dealership assets and often the continuing personal guarantee of the dealers' owners. In addition, automotive manufacturers are typically obligated to repurchase new vehicle inventory within certain mileage and model year parameters set by applicable state law in the event that we repossess the dealership's inventory, thus potentially reducing any loss due to dealer default.

Residual Value of Leased Vehicles

We have investments in leased vehicles recorded as operating leases. Each leased asset in our portfolio represents a vehicle that we own and have leased to a customer. At the time we purchase a lease, we establish an expected residual value for the vehicle at the end of the lease term, which typically ranges from two to five years. The customer is obligated to make payments during the term of the lease for the difference between the purchase price and the contract residual value plus a money factor. However, since the customer is not obligated to purchase the vehicle at the end of the contract, we are exposed to a risk of loss to the extent the customer returns the vehicle at the end of the lease term and the value of the vehicle is lower than the residual value estimated at contract inception.

At December 31, 2015, the estimated residual value of our leased vehicles at the end of the lease term was $13.4 billion. Depreciation reduces the carrying value of each leased asset in our operating lease portfolio over time from its original acquisition value to its expected residual value at the end of the lease term. We periodically perform a review of the adequacy of the depreciation rates. If we believe that the expected residual values for our leased assets have changed, we revise the depreciation rate to ensure that our net investment in operating leases will be adjusted to reflect our revised estimate of the expected residual value at the end of the lease term. Such adjustments to the depreciation rate would result in a change in the depreciation expense on the leased assets, which is recorded prospectively on a straight-line basis. The effect of a 1% change in our assumption regarding residual values would increase or decrease depreciation expense on the operating lease portfolio over the remaining term of the leases as follows (in millions):

	Impact to Depreciation Expense
Cars	$ 31
Trucks	27
Crossovers	76
Total	$ 134

In addition to estimating the residual value at lease termination, we also evaluate the carrying value of the operating lease assets, check for indicators of impairment and test for impairment to the extent necessary in accordance with applicable accounting standards. A leased asset is considered impaired if impairment indicators exist and the undiscounted expected future cash flows (including the expected residual value) are lower than the carrying value of the asset. We believe no impairment indicators existed at December 31, 2015, 2014 or 2013.

Goodwill

The excess of the purchase price over the fair value of the net assets acquired by GM was recorded as goodwill, and was attributed to the North America reporting unit, which was our only reporting unit at that time. With the acquisition of the international operations, we added two additional reporting units: Latin America and Europe. The excess of the purchase price of the acquisition of the international operations over the fair value of the net assets acquired was all attributed to the Latin America reporting unit.

If an indication of impairment exists and the fair value of any reporting unit is less than the carrying amount reflected in the balance sheet, then the amount of goodwill attributed to a reporting unit may be impaired, and we perform a second step of the impairment test. In the second step, we compare the goodwill amount reflected in the balance sheet to the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation. During 2015, 2014 and 2013, we performed our annual goodwill impairment testing as of October 1 for each reporting unit. No impairment charges were recognized to either the North America or the Latin America reporting unit in the years ended December 31, 2015, 2014 or 2013. Refer to Note 6 - "Goodwill," of the consolidated financial statements included in this Form 10-K for additional information.

We determined the fair value of each reporting unit with consideration to valuations under the market approach and the income approach. The income approach evaluates the cash flow of the reporting unit over a specified time, discounted at an appropriate market rate to arrive at an indication of the most probable selling price. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimates of future performance.

The following table reflects certain key estimates and assumptions used in our 2015 impairment testing of the North America reporting unit, which represents 93% of our goodwill balance:

Market approach assumptions	
Trailing-twelve months' earnings multiple	11.1x
Forward earnings multiple	12.7x
Weighting applied	25%
Income approach assumptions	
Cost of equity	11.2%
Targeted equity-to-earning assets ratio	8.6% declining to 7.5%
Weighting applied	75%

The results of the first step of the impairment test indicated that the fair value exceeded the carrying value; therefore, it was not necessary to perform the second step analysis. If actual market conditions are less favorable than those we and the industry have projected, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Income Taxes

In our stand-alone financial statements, we account for income taxes on a separate return basis using an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between financial statements' carrying amounts of existing assets and liabilities and their respective tax basis, net operating loss and tax credit carryforwards.

We are subject to income tax in the U.S. and various other state and foreign jurisdictions. Since October 1, 2010, we have been included in GM's consolidated U.S. federal income tax returns. As referred to in Note 14 - "Income Taxes," we have a tax sharing agreement with GM for our U.S. operations.

In the ordinary course of business, there may be transactions, calculations, structures and filing positions where the ultimate tax outcome is uncertain. At any point in time, multiple tax years are subject to audit by various taxing jurisdictions and we record liabilities for estimated tax results based on the requirements of the accounting for uncertainty in income taxes. Management believes that the estimates it records are reasonable. However, due to expiring statutes of limitations, audits, settlements, changes in tax law or new authoritative rulings, no assurance can be given that the final outcome of these matters will be comparable to what was reflected in the historical income tax provisions and accruals. We may need to adjust our accrued tax assets or liabilities if actual results differ from estimated results or if we adjust the assumptions used in the computation of the estimated tax results in the future. These adjustments could materially impact the effective tax rate, earnings, accrued tax balances and cash.

We evaluate the need for deferred tax asset valuation allowances based on a more-likely-than-not standard. The ability to realize deferred tax assets depends on the ability to generate sufficient taxable income within the carryback or carryforward periods provided for in the tax law for each applicable tax jurisdiction. We consider the following possible sources of taxable income when assessing the realization of deferred tax assets: future reversals of existing taxable temporary differences; future taxable income exclusive of reversing temporary differences and carryforwards; taxable income in prior carryback years; and tax-planning strategies.

The assessment regarding whether a valuation allowance is required or should be adjusted also considers all available positive and negative evidence factors, including but not limited to: nature, frequency, and severity of recent losses; duration of statutory carryforward periods; historical experience with tax attributes expiring unused; and near- and medium-term financial outlook.

It is difficult to conclude a valuation allowance is not required when there is significant objective and verifiable negative evidence, such as cumulative losses in recent years. We utilize a rolling three years of actual and current year anticipated results as the primary measure of cumulative losses in recent years.

We have recorded gross deferred tax assets reflecting the expected tax benefits of operating loss carry forwards, tax credits and reversing temporary differences as disclosed in Note 14 - "Income Taxes." Realization of this deferred tax asset is dependent, in part, on generating sufficient taxable income in certain jurisdictions in future tax periods. If we continue to generate sufficient pretax income in future periods the deferred tax asset, net of the existing valuation allowance, should be realizable in the future. This judgment could be significantly impacted in the near term if estimates of future taxable income are reduced due to unforeseen events or changes in market conditions. If changes were to occur in future periods, it is possible that management could conclude that an additional valuation allowance is necessary.

We have recognized a deferred tax liability on the undistributed earnings of our investment in China. We have not recognized a deferred tax liability on the undistributed earnings of our remaining foreign subsidiaries as allowed under the indefinite reversal criterion of Accounting Standards Codification ("ASC") 740. Due to our strategy of funding locally, these amounts are considered to be indefinitely invested based on specific plans for reinvestment of these earnings. Should we decide to repatriate the foreign earnings, we would need to adjust our income tax provision in the period we determined that the earnings will no longer be indefinitely invested outside the U.S.

RESULTS OF OPERATIONS

We conduct operations around the world, and we are therefore subject to valuation changes of foreign currencies, primarily the Euro, the British Pound, the Brazilian Real, the Mexican Peso and the Canadian Dollar. We translate the assets, liabilities, revenue and expenses of our foreign operations into the U.S. Dollar at then-applicable exchange rates. Consequently, increases or decreases in the value of the U.S. Dollar may affect the value of these items with respect to our non-U.S. businesses in our consolidated financial statements, even if their values have not changed in their original currencies. For example, a stronger U.S. Dollar will reduce the reported results of our foreign operations and, conversely, a weaker U.S. Dollar will increase the reported results of our foreign operations. These translations could significantly affect the comparability of our results between financial periods. In our tabular presentation of the changes in results between financial periods, we provide the following information: (i) the amount of change excluding the impact of foreign currency translation ("FX"); (ii) the amount of the impact of foreign currency translation; and (iii) the total change. The amount of the impact of foreign currency translation was derived by translating current year results at the average of prior year exchange rates, and was driven by the appreciation of the U.S. Dollar against all of the currencies used by our foreign operations. We believe the amount of change excluding the foreign currency translation impact facilitates a better comparison of results. In our discussion below, we discuss changes in relevant items excluding any foreign currency translation impact.

Year Ended December 31, 2015 compared to

Year Ended December 31, 2014

Average Earning Assets:

Average earning assets were as follows (dollars in millions):

	Year Ended December 31,									
	2015			2014			2015 vs. 2014			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Average retail finance receivables	$ 15,688	$ 11,509	$ 27,197	$ 12,205	$ 12,568	$24,773	$ 4,881	$ (2,457)	$ 2,424	9.8%
Average commercial finance receivables	3,465	4,364	7,829	2,384	4,653	7,037	1,625	(833)	792	11.3%
Average finance receivables	19,153	15,873	35,026	14,589	17,221	31,810	6,506	(3,290)	3,216	10.1%
Average leased vehicles, net	13,033	57	13,090	4,867	7	4,874	8,407	(191)	8,216	168.6%
Average earning assets	$ 32,186	$ 15,930	$ 48,116	$ 19,456	$ 17,228	$36,684	$ 14,913	$ (3,481)	$ 11,432	31.2%
Retail finance receivables purchased	$ 10,931	$ 6,606	$ 17,537	$ 6,808	$ 8,277	$15,085	$ 3,820	$ (1,368)	$ 2,452	16.3%
Average new retail loan size (in dollars)	$ 26,523	$ 11,861		$ 23,149	$ 13,947					
Leased vehicles purchased	$ 20,121	$ 78	$ 20,199	$ 6,132	$ 37	$ 6,169	$ 14,221	$ (191)	$ 14,030	227.4%
Average new lease size (in dollars)	$ 36,627	$ 20,449		$ 31,809	$ 22,775					

Average earning assets increased in the North America Segment as a result of the continued increase in our share of GM's business in that segment. Average earning assets in our International Segment decreased solely due to the impact of foreign currency translation. The increase in average leased vehicles, net primarily resulted from our exclusive lease subvention arrangement in the U.S. with GM, which was implemented on a brand-by-brand basis between February and April 2015.

In the North America Segment, the average annual percentage rate for retail finance receivables purchased during the year ended December 31, 2015 decreased to 8.0% from 11.6% during the prior period and the average retail loan and lease size increased. These changes are primarily due to the introduction of our prime lending program, resulting in higher volumes of originations of loans for new vehicles, which typically are for higher amounts and have lower contractual rates due to the rate subvention support provided by GM.

Revenue:

Revenues were as follows (dollars in millions):

	Year Ended December 31,									
	2015			2014			2015 vs. 2014			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Finance charge income										
Retail finance receivables	$ 1,803	$ 1,174	$ 2,977	$ 1,687	$ 1,376	$ 3,063	$ 249	$ (335)	$ (86)	(2.8)%
Commercial finance receivables	$ 103	$ 301	$ 404	$ 74	$ 338	$ 412	$ 58	$ (66)	$ (8)	(1.9)%
Leased vehicle income	$ 2,794	$ 13	$ 2,807	$ 1,085	$ 5	$ 1,090	$ 1,788	$ (71)	$ 1,717	157.5 %
Other income	$ 77	$ 189	$ 266	$ 63	$ 226	$ 289	$ 40	$ (63)	$ (23)	(8.0)%
Effective yield - retail finance receivables	11.5%	10.2%	11.0%	13.8%	11.0%	12.4%				
Effective yield - commercial finance receivables	3.0%	6.9%	5.2%	3.1%	7.3%	5.9%				

In the North America Segment, finance charge income on retail finance receivables increased for the year ended December 31, 2015, compared to the year ended December 31, 2014 due to the increase in the portfolio, partially offset by a decrease in effective yield. The effective yield on our retail finance receivables decreased primarily due to a decrease in the average annual percentage rate on new originations as we have increased our prime and near-prime lending in 2015. The effective yield represents finance charges and fees recorded in earnings during the period as a percentage of average retail finance receivables. The effective yield, as a percentage of average retail finance receivables, is higher than the contractual rates of our auto finance contracts primarily because the effective yield includes, in addition to the contractual rates and fees, the impact of rate subvention provided by GM.

Commercial finance charge income remained flat despite the increase in the size of the commercial receivable portfolio, largely due to a decrease in the effective yield on commercial finance receivables.

The increase in leased vehicle income reflects the increase in the size of the leased asset portfolio.

Costs and Expenses:

Costs and expenses were as follows (dollars in millions):

	Year Ended December 31,									
	2015			2014			2015 vs. 2014			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Operating expenses	$ 735	$ 558	$ 1,293	$ 542	$ 620	$ 1,162	$ 252	$ (121)	$ 131	11.3%
Leased vehicle expenses	$ 2,190	$ 10	$ 2,200	$ 843	$ 4	$ 847	$ 1,403	$ (50)	$ 1,353	159.7%
Provision for loan losses	$ 466	$ 158	$ 624	$ 472	$ 132	$ 604	$ 76	$ (56)	$ 20	3.3%
Interest expense[(a)]	$ 921	$ 695	$ 1,616	$ 551	$ 875	$ 1,426	$ 422	$ (232)	$ 190	13.3%
Average debt outstanding	$ 31,130	$ 13,489	$ 44,619	$ 18,907	$ 13,313	$ 32,220	$ 15,375	$ (2,976)	$ 12,399	38.5%
Effective rate of interest on debt	3.0%	5.2%	3.6%	2.9%	6.6%	4.4%				

____

(a) *Amounts do not reflect allocation of senior note interest expense, and therefore do not agree with amounts presented in Note 17 - "Segment Reporting" in our consolidated financial statements in this Form 10-K.*

Operating Expenses

The increase in operating expenses relates to the growth in earning assets and investments to support our prime lending program and enhance our lease origination and servicing capabilities in the North America Segment. Operating expenses as an annualized percentage of average earning assets were 2.7% and 3.2% for the years ended December 31, 2015 and 2014.

Leased Vehicle Expenses

Leased vehicle expenses, which are primarily comprised of depreciation of leased vehicles, increased due to the growth of the leased asset portfolio in the North America Segment.

Provision for Loan losses

The provision for retail loan losses increased primarily due to the growth in the retail finance receivables portfolio. As an annualized percentage of average retail finance receivables, the provision for loan losses was 2.3% and 2.4% for the years ended December 31, 2015 and 2014. The provision for commercial loan losses was insignificant for the years ended December 31, 2015 and 2014.

Interest Expense

Interest expense increased primarily due to an increase in the average debt outstanding resulting from growth in the loan and lease portfolios, partially offset by a decrease in the effective rate of interest on debt.

Taxes

Our consolidated effective income tax rate was 26.5% and 34.0% of income before income taxes and equity income for the years ended December 31, 2015 and 2014. The decrease in the effective income tax rate is due primarily to an increase in certain U.S. federal tax credits.

Other Comprehensive Income:

Foreign Currency Translation Adjustment

Consolidated foreign currency translation adjustments included in other comprehensive (loss) income were $(669) million and $(430) million for years ended December 31, 2015 and 2014. Most of the international operations use functional currencies other than the U.S. Dollar. Translation adjustments result from changes in the values of our international currency-denominated assets and liabilities as the value of the U.S. Dollar changes in relation to international currencies.

Year Ended December 31, 2014 as compared to Year Ended December 31, 2013

Unless otherwise noted, the increases in the amounts presented for the International Segment for 2014 compared to 2013 are primarily due to the timing of the acquisition of the majority of the international operations on April 1, 2013, and the operations in Brazil, which were acquired on October 1, 2013.

Average Earning Assets:

Average earning assets were as follows (dollars in millions):

	Years Ended December 31,									
	2014			2013			2014 vs. 2013 Change			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Average retail finance receivables	$ 12,205	$ 12,568	$24,773	$ 11,335	$ 6,459	$17,794	$ 7,116	$ (137)	$ 6,979	39.2%
Average commercial finance receivables	2,384	4,653	7,037	1,164	2,997	4,161	2,925	(49)	2,876	69.1%
Average finance receivables	14,589	17,221	31,810	12,499	9,456	21,955	10,041	(186)	9,855	44.9%
Average leased vehicles, net	4,867	7	4,874	2,599	3	2,602	2,466	(194)	2,272	87.3%
Average earning assets	$ 19,456	$ 17,228	$36,684	$ 15,098	$ 9,459	$24,557	$ 12,508	$ (381)	$ 12,127	49.4%
Retail finance receivables purchased	$ 6,808	$ 8,277	$15,085	$ 5,126	$ 4,471	$ 9,597	$ 5,560	$ (72)	$ 5,488	57.2%
Average new retail loan size (in dollars)	$ 23,149	$ 13,947		$ 21,494	$ 14,747					
Leased vehicles purchased	$ 6,132	$ 37	$ 6,169	$ 2,830	$ —	$ 2,830	$ 3,426	$ (87)	$ 3,339	118.0%
Average new lease size (in dollars)	$ 31,809	$ 22,775		$ 26,439	$ —					

Average earning assets increased in the North America Segment as a result of the continued increase in our share of GM's business in that segment. The increase in average leased vehicles, net was a result of GM's overall increased market penetration in leases as well as an increase in our share of GM's business.

In the North America Segment, the average annual percentage rate for retail finance receivables purchased during the year ended December 31, 2014 decreased to 11.6% from 13.4% during 2013 and the average retail loan and lease size increased. These changes are primarily due to higher volumes of originations of loans for new vehicles, which typically are for higher amounts and have lower contractual rates due to the rate subvention support provided by GM.

Revenue:

Revenues were as follows (dollars in millions):

	Years Ended December 31, 2014			2013			2014 vs. 2013 Change			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Finance charge income										
Retail finance receivables	$ 1,687	$ 1,376	$ 3,063	$ 1,680	$ 612	$ 2,292	$ 803	$ (32)	$ 771	33.6%
Commercial finance receivables	$ 74	$ 338	$ 412	$ 37	$ 234	$ 271	$ 145	$ (4)	$ 141	52.0%
Leased vehicle income	$ 1,085	$ 5	$ 1,090	$ 591	$ 4	$ 595	$ 519	$ (24)	$ 495	83.2%
Other income	$ 63	$ 226	$ 289	$ 68	$ 118	$ 186	$ 112	$ (9)	$ 103	55.4%
Effective yield - retail finance receivables	13.8%	11.0%	12.4%	14.8%	9.5%	12.9%				
Effective yield - commercial finance receivables	3.1%	7.3%	5.9%	3.2%	7.8%	4.9%				

In the North America Segment, finance charge income on retail finance receivables was flat for the year ended December 31, 2014 compared to December 31, 2013. Increased finance charge income that resulted from growth in the portfolio was offset by a lower effective yield. The effective yield on our retail finance receivables decreased primarily due to a decrease in the average annual percentage rate on new originations, as we introduced our prime lending program. The effective yield represents finance charges and fees recorded in earnings during the period as a percentage of average retail finance receivables. The effective yield, as a percentage of average retail finance receivables, is higher than the contractual rates of our auto finance contracts primarily because the effective yield includes, in addition to the contractual rates and fees, the impact of rate subvention provided by GM.

The increases in commercial finance charge income and lease vehicle income reflect the increases in the respective portfolios.

Costs and Expenses:

Costs and expenses were as follows (dollars in millions):

	Years Ended December 31, 2014			2013			2014 vs. 2013 Change			
	North America	International	Total	North America	International	Total	Change excluding FX	FX	Total change	%
Operating expenses	$ 542	$ 620	$ 1,162	$ 442	$ 328	$ 770	$ 405	(13)	$ 392	50.9 %
Leased vehicle expenses	$ 843	$ 4	$ 847	$ 451	$ 2	$ 453	$ 411	(17)	$ 394	87.0 %
Provision for loan losses	$ 472	$ 132	$ 604	$ 393	$ 82	$ 475	$ 135	(6)	$ 129	27.2 %
Interest expense[(a)]	$ 551	$ 875	$ 1,426	$ 421	$ 300	$ 721	$ 727	(22)	$ 705	97.8 %
Acquisition and integration expenses	$ —	$ —	$ —	$ —	$ 42	$ 42	$ (42)	—	$ (42)	(100.0)%
Average debt outstanding	$ 18,907	$ 13,313	$ 32,220	$ 14,257	$ 6,760	$ 21,017	$ 11,456	$ (253)	$ 11,203	53.3 %
Effective rate of interest on debt	2.9%	6.6%	4.4%	3.0%	4.4%	3.4%				

____

(a) *Amounts do not reflect allocation of senior note interest expense, and therefore do not agree with amounts presented in Note 17 - "Segment Reporting and Geographic Information" in our consolidated financial statements in this Form 10-K.*

Operating Expenses

The increase in operating expenses reflects the growth in earning assets and investments to support our prime lending program and enhance our lease origination and servicing capabilities in the North America Segment. Operating expenses as an annualized percentage of average earning assets were 3.2% and 3.1% for the years ended December 31, 2014 and 2013.

Leased Vehicle Expenses

Leased vehicle expenses, which are primarily comprised of depreciation of leased vehicles, increased due to the increased size of the leased asset portfolio.

Provision for Loan losses

The provision for retail loan losses increased primarily due to the growth in the retail finance receivables portfolio. As an annualized percentage of average retail finance receivables, the provision for loan losses was 2.4% and 2.7% for the years ended December 31, 2014 and 2013. The provision for commercial loan losses was insignificant for the years ended December 31, 2014 and 2013.

Interest Expense

In the North America Segment, interest expense increased primarily due to an increase in average debt outstanding resulting from growth in the loan and lease portfolios as well as the funding requirements for the acquisition of the international operations, partially offset by a decrease in the effective rate of interest on debt.

Taxes

Our consolidated effective income tax rate was 34.0% and 35.9% for the years ended December 31, 2014 and 2013. The decrease in the effective income tax rate is primarily related to settlements with various tax authorities during 2014 in multiple jurisdictions.

Other Comprehensive Income:

Foreign Currency Translation Adjustment

Consolidated foreign currency translation adjustments included in other comprehensive (loss) income were $(430) million and $11 million for the years ended December 31, 2014 and 2013. Most of the international operations use functional currencies other than the U.S. Dollar. Translation adjustments result from changes in the values of our international currency-denominated assets and liabilities as the value of the U.S. Dollar changes in relation to international currencies. The change in other comprehensive (loss) income is primarily due to decreases in the values of the Brazilian Real and the Euro in relation to the U.S Dollar.

CREDIT QUALITY

Retail Finance Receivables

The following tables present certain data related to the retail finance receivables portfolio (dollars in millions, except where noted):

	December 31, 2015			December 31, 2014		
	North America	International	Total	North America	International	Total
Retail finance receivables, net of fees	$ 18,148	$ 10,976	$ 29,124	$ 13,361	$ 12,262	$ 25,623
Less: allowance for loan losses	(618)	(117)	(735)	(577)	(78)	(655)
Retail finance receivables, net	$ 17,530	$ 10,859	$ 28,389	$ 12,784	$ 12,184	$ 24,968
Number of outstanding contracts	955,094	1,563,831	2,518,925	788,833	1,458,362	2,247,195
Average amount of outstanding contracts (in dollars)(a)	$ 19,001	$ 7,019	$ 11,562	$ 16,999	$ 8,409	$ 11,424
Allowance for loan losses as a percentage of retail finance receivables, net of fees	3.4%	1.1%	2.5%	4.4%	0.6%	2.6%

____
(a) *Average amount of outstanding contract consists of retail finance receivables, net of fees, divided by number of outstanding contracts. The decrease in the average amount of outstanding contracts in the International Segment is primarily due to changes in foreign currency exchange rates.*

At December 31, 2015, the allowance for loan losses for the North America Segment as a percentage of retail finance receivables, net of fees, decreased from the level at December 31, 2014, consistent with the improved credit mix in our portfolio resulting from our expansion of prime lending. The allowance for loan losses in the International Segment increased due to the continued growth in the portfolio of receivables originated since the acquisition, as well as an increased provision for credit losses in Brazil.

Delinquency

The following is a summary of the contractual amounts of delinquent retail finance receivables, which is not materially different than recorded investment that are (i) more than 30 days delinquent, but not yet in repossession, and (ii) in repossession, but not yet charged off (dollars in millions):

	December 31, 2015				December 31, 2014			
	North America	International	Total	Percent of Contractual Amount Due	North America	International	Total	Percent of Contractual Amount Due
31 - 60 days	$ 1,150	$ 87	$ 1,237	4.2%	$ 994	$ 89	$ 1,083	4.2%
Greater than 60 days	389	92	481	1.6	328	104	432	1.7
	1,539	179	1,718	5.8	1,322	193	1,515	5.9
In repossession	42	4	46	0.2	36	4	40	0.2
	$ 1,581	$ 183	$ 1,764	6.0%	$ 1,358	$ 197	$ 1,555	6.1%

Deferrals

In accordance with our policies and guidelines in the North America Segment, we, at times, offer payment deferrals to retail consumers, whereby the borrower is allowed to move up to two delinquent payments to the end of the loan generally by paying a fee (approximately the interest portion of the payment deferred, except where state law provides for a lesser amount). Our policies and guidelines limit the number and frequency of deferments that may be granted. Additionally, we generally limit the granting of deferments on new accounts until a requisite number of payments have been received. Contracts receiving a payment deferral as an average quarterly percentage of average retail finance receivables outstanding were 5.9% and 6.4% for 2015 and 2014. Deferrals in the International Segment are insignificant.

Troubled Debt Restructurings

See Note 3 - "Finance Receivables" to our consolidated financial statements in this Form 10-K for further discussion of TDRs.

Credit Losses - non-U.S. GAAP measure

We analyze credit performance of our combined portfolio, which includes loans acquired with deteriorated credit quality. This information facilitates comparisons of current and historical results. The following is a reconciliation of charge-offs to credit losses on the combined portfolio (in millions):

	Years Ended December 31,								
	2015			2014			2013		
	North America	International	Total	North America	International	Total	North America	International	Total
Charge-offs	$ 859	$ 137	$ 996	$ 776	$ 138	$ 914	$ 584	$ 54	$ 638
Other[(a)]	18	1	19	63	6	69	154	13	167
Credit losses	$ 877	$ 138	$ 1,015	$ 839	$ 144	$ 983	$ 738	$ 67	$ 805

____

(a) *Adjustments to reflect write-offs of contractual amounts on loans acquired with deteriorated credit quality.*

The following table presents credit loss data (which includes charge-offs and write-offs of contractual amounts on loans acquired with deteriorated credit quality) with respect to our retail finance receivables portfolio (dollars in millions):

	Years Ended December 31,								
	2015			2014			2013		
	North America	International[(a)]	Total	North America	International[(a)]	Total	North America	International[(a)]	Total
Credit losses	$ 877	$ 138	$ 1,015	$ 839	$ 144	$ 983	$ 738	$ 67	$ 805
Less: recoveries	(465)	(47)	(512)	(465)	(56)	(521)	(427)	(35)	(462)
Net credit losses	$ 412	$ 91	$ 503	$ 374	$ 88	$ 462	$ 311	$ 32	$ 343
Net annualized credit loss percentage[(b)]	2.6%	0.8%	1.9%	3.1%	0.7%	1.9%	2.7%	0.5%	1.9%
Recovery percentage[(c)]	56.4%			57.3%			59.3%		

____

(a) *Credit losses for the International Segment primarily include the write-down of receivables to net realizable value. As a result, a calculation of recoveries as a percentage of gross credit losses is not meaningful.*

(b) *Net annualized credit loss percentage is calculated as a percentage of average retail finance receivables.*

(c) *Recovery percentage is a percentage of gross repossession credit losses.*

Commercial Finance Receivables

The following table presents certain data related to the commercial finance receivables portfolio (dollars in millions):

	December 31, 2015			December 31, 2014		
	North America	International	Total	North America	International	Total
Commercial finance receivables, net of fees	$ 4,051	$ 4,388	$ 8,439	$ 3,180	$ 4,892	$ 8,072
Less: allowance for loan losses	(23)	(24)	(47)	(21)	(19)	(40)
Total commercial finance receivables, net	$ 4,028	$ 4,364	$ 8,392	$ 3,159	$ 4,873	$ 8,032
Number of dealers	656	2,139	2,795	489	2,147	2,636
Average carrying amount per dealer	$ 6	$ 2	$ 3	$ 7	$ 2	$ 3
Allowance for loan losses as a percentage of commercial finance receivables, net of fees	0.6%	0.5%	0.6%	0.7%	0.4%	0.5%

There were insignificant charge-offs of commercial finance receivables during 2015, 2014 and 2013. At December 31, 2015 and 2014, substantially all of our commercial finance receivables were current with respect to payment status and none were classified as TDRs.

Leased Vehicles

At December 31, 2015 and 2014, 98.7% and 98.3% of our operating leases were current with respect to payment status.

LIQUIDITY AND CAPITAL RESOURCES

General

Our primary sources of cash are finance charge income, leasing income, servicing fees, net distributions from secured debt facilities, including securitizations, secured and unsecured borrowings and collections and recoveries on finance receivables. Our primary uses of cash are purchases of retail finance receivables and leased vehicles, the funding of commercial finance receivables, repayment of secured and unsecured debt, funding credit enhancement requirements in connection with securitizations and secured debt facilities, operating expenses, interest costs and business acquisitions.

In the North America Segment, our purchase and funding of retail and commercial finance receivables and leased vehicles are financed initially utilizing cash and borrowings on our secured credit facilities. Subsequently, our strategy is to obtain long-term financing for finance receivables and leased vehicles through securitization transactions and the issuance of unsecured debt.

In the International Segment, our purchase and funding of finance receivables are typically financed with borrowings on secured and unsecured credit facilities. In certain countries where the debt capital and securitization markets are sufficiently developed, such as in Germany and the U.K., we obtain long-term financing through securitization transactions. In addition, we raise unsecured debt in the international capital markets through the issuance of notes under our Euro medium term note program and accept deposits from retail banking customers in Germany.

Cash Flow

During 2015, net cash provided by operating activities increased primarily due to increased leased vehicle income resulting from growth in the leased vehicle portfolio.

During 2015, net cash used by investing activities increased compared to 2014 due to an increase in purchases of leased vehicles of $10.5 billion, a net increase in cash invested in retail finance receivables of $1.9 billion and cash used for the acquisition of the equity interest in SAIC-GMAC of $1.0 billion, partially offset by a decrease in net fundings of commercial receivables of $881 million.

During 2015, net cash provided by financing activities increased compared to 2014 primarily due to an increase in borrowings, net of repayments, of $9.3 billion.

Liquidity

Our available liquidity consists of the following (in millions):

	December 31, 2015	December 31, 2014
Cash and cash equivalents[(a)]	$ 3,061	$ 2,974
Borrowing capacity on unpledged eligible assets	9,697	4,808
Borrowing capacity on committed unsecured lines of credit	904	558
Borrowing capacity on Junior Subordinated Revolving Credit Facility	1,000	1,000
	$ 14,662	$ 9,340

____

(a) *Includes $756 million and $691 million in unrestricted cash outside of the U.S. at December 31, 2015 and 2014. This cash is considered to be indefinitely invested based on specific plans for reinvestment.*

During 2015 available liquidity increased due to: (1) decreased usage of secured debt facilities as a result of the issuance of senior unsecured notes; and (2) decreased usage of committed unsecured lines of credit primarily due to funding provided by retail banking deposits in Germany.

We have the ability to borrow up to $2.0 billion against each of GM's unsecured revolving credit facilities (a three-year $5.0 billion facility and a five-year $7.5 billion facility) subject to available capacity. Our borrowings under GM's facilities are limited by GM's ability to borrow the entire amount available under the facilities. Therefore, we may be able to borrow up to $4.0 billion in total or may be unable to borrow depending on GM's borrowing activity. If we do borrow under these facilities, we expect such borrowings would be short-term in nature and, except in extraordinary circumstances, would not be used to fund our operating activities in the ordinary course of business. Neither we, nor any of our subsidiaries, guarantee any obligations under these facilities, and none of our assets secure these facilities. Liquidity available to us under the GM unsecured revolving credit facilities is not included in the table above.

Credit Facilities

In the normal course of business, in addition to using our available cash, we utilize borrowings under our credit facilities, which may be secured or structured as securitizations, or may be unsecured, and we repay these borrowings as appropriate under our liquidity management strategy.

At December 31, 2015, credit facilities consist of the following (in millions):

Facility Type	Facility Amount	Advances Outstanding
Revolving retail asset-secured facilities[(a)]	$ 18,520	$ 6,533
Revolving commercial asset-secured facilities[(b)]	3,844	1,015
Total secured	22,364	7,548
Unsecured committed facilities[(c)]	1,518	614
Unsecured uncommitted facilities[(d)]	—	2,145
Total unsecured	1,518	2,759
Junior Subordinated Revolving Credit Facility	1,000	—
Total	$ 24,882	$ 10,307

____

(a) *Includes revolving credit facilities backed by retail finance receivables and leases.*
(b) *Includes revolving credit facilities backed by loans to dealers for floorplan financing.*
(c) *Does not include $4.0 billion in liquidity available to us under GM's unsecured revolving credit facilities.*
(d) *The financial institutions providing the uncommitted facilities are not contractually obligated to advance funds under them; therefore, we do not include available capacity on these facilities in our liquidity. We had $468 million and $215 million in unused borrowing capacity on these facilities at December 31, 2015 and December 31, 2014.*

See Note 8 - "Debt" to our consolidated financial statements in this Form 10-K for further discussion of the terms of our revolving credit facilities.

Securitization Notes Payable

We periodically finance our retail and commercial finance receivables and leases through public and private term securitization transactions, where the securitization markets are sufficiently developed. A summary of securitization notes payable is as follows (in millions):

Year of Transaction	Maturity Date [(a)]			Original Note Issuance [(b)]	Note Balance At December 31, 2015
2007	June 2018			$ 74	$ 51
2011	January 2019	-	March 2019	$ 1,800	225
2012	October 2016	-	May 2020	$ 6,902	1,748
2013	November 2019	-	October 2021	$ 6,721	2,009
2014	March 2019	-	September 2022	$ 10,710	6,056
2015	February 2017	-	August 2023	$ 14,617	13,106
Total active securitizations					$ 23,195
Debt issuance costs					(54)
					$ 23,141

____

(a) *Maturity dates represent legal final maturity of issued notes. The notes are expected to be paid based on amortization of the finance receivables and leases pledged.*
(b) *At historical foreign currency exchange rates at the time of issuance.*

Our securitizations utilize special purpose entities which are also VIEs that meet the requirements to be consolidated in our financial statements. See Note 9 - "Variable Interest Entities" to our consolidated financial statements in this Form 10-K for further discussion.

Senior Notes, Retail Customer Deposits and Other Unsecured Debt

We periodically access the debt capital markets through the issuance of senior unsecured notes, predominantly from registered shelves in the U.S. and Europe. At December 31, 2015 the par value of our outstanding senior notes was $19.1 billion.

In the International Segment, particularly in Latin America, we issue other unsecured debt through commercial paper offerings and other non-bank funding sources. At December 31, 2015 we had $665 million of this type of unsecured debt outstanding. During 2015, we began accepting deposits from retail banking customers in Germany. At December 31, 2015, the outstanding balance of these deposits was $1.3 billion, of which 44% were overnight deposits.

Contractual Obligations

The following table presents the expected scheduled principal and interest payments under our contractual debt obligations (in millions):

	Years Ending December 31,						
	2016	2017	2018	2019	2020	Thereafter	Total
Operating leases	$ 19	$ 19	$ 16	$ 14	$ 11	$ 38	$ 117
Secured debt	14,450	9,168	5,688	1,120	317	—	30,743
Unsecured debt	4,343	3,654	3,459	3,165	4,110	5,050	23,781
Interest	1,275	1,008	588	397	267	483	4,018
	$ 20,087	$ 13,849	$ 9,751	$ 4,696	$ 4,705	$ 5,571	$ 58,659

At December 31, 2015, we had liabilities associated with uncertain tax positions of $136 million, including penalties and interest. The table above does not include these liabilities since it is impracticable to estimate the future cash flows associated with these amounts.

Under our tax sharing arrangement with GM, we are responsible for our tax liabilities as if we filed separate returns. As of December 31, 2015, we have no accrued liability to GM. Refer to Note 14 - "Income Taxes" for more information.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Overview

We are exposed to a variety of risks in the normal course of our business. Our financial condition depends on the extent to which we effectively identify, assess, monitor and manage these risks. The principal types of risk to our business include:

- Market risk - the possibility that changes in interest and currency exchange rates will adversely affect our cash flow and economic value;
- Counterparty risk - the possibility that a counterparty may default on a derivative contract or cash deposit or will fail to meet its lending commitments to us;
- Credit risk - the possibility of loss from a customer's failure to make payments according to contract terms;
- Residual risk - the possibility that the actual proceeds we receive at lease termination will be lower than our projections or return volumes will be higher than our projections;
- Liquidity risk - the possibility that we may be unable to meet all of our current and future obligations in a timely manner; and
- Operating risk - the possibility of errors relating to transaction processing and systems, actions that could result in compliance deficiencies with regulatory standards or contractual obligations and the possibility of fraud by our employees or outside persons.

We manage each of these types of risk in the context of its contribution to our overall global risks. We make business decisions on a risk-adjusted basis and price our services consistent with these risks.

Credit, residual and liquidity risks are discussed in Items 1 and 7. A discussion of market risk (including currency and interest rate risk), counterparty risk, and operating risk follows.

Market Risk

We seek to minimize volatility in our earnings from changes in interest rates and foreign currency exchange rates. Our strategies to manage market risk are approved by our International and North America Asset Liability Committees (“ALCO”). The principal voting members include the Chief Executive Officer, Chief Financial Officers for the North America and International Segments, Chief Operating Officers for the North America and International Segments, Treasurers for the North America and International Segments and the Chief Accounting Officer.

In 2015, we expanded our ALCO to incorporate more asset liability management (“ALM”) strategies as the composition of sources of debt evolved to support growth in our earning assets. Our Corporate Treasury group is responsible for the development of our interest rate and liquidity management policies as presented to the ALCO.

Interest Rate Risk

We depend on accessing the capital markets to fund asset originations. We are exposed to interest rate risks as our financial assets and liabilities have different behavioral characteristics that may impact our financial performance. These differences may include tenor, yield, re-pricing timing, and prepayment expectations.

Our assets are primarily comprised of fixed-rate retail installment loans and operating lease contracts under which customers typically make equal monthly payments over the life of the contracts. Our commercial finance receivables are primarily originated to finance new and used vehicles held in dealers' inventory and generally require dealers to pay a floating rate of interest. These balances expand and contract with car sales and are revolving in nature.

Our debt is primarily comprised of long-term unsecured debt and securitization notes payable. Our senior note unsecured debt issuances have tenors of up to ten years. The majority of these debt instruments are fixed-rate and pay equal interest payments over the life of the debt and a single principal payment at maturity. Our securitization notes payable are primarily fixed-rate and amortize as the underlying assets pay down.

We manage interest rate risk with the objective of optimizing earnings performance while avoiding excessive financial risks and market-related earnings volatility. We measure and monitor interest rate risk primarily through key risk metrics such as duration gap, economic value of equity sensitivity, and net interest income sensitivity. When appropriate, we use derivatives to manage interest rate risk; however, we do not engage in any speculative trading in derivatives.

Cap Agreements. The purchaser of the interest rate cap agreement pays a premium in return for the right to receive the difference in the interest cost at any time a specified index of market interest rates rises above the stipulated "cap" or "strike" rate. The purchaser of the interest rate cap agreement bears no obligation or liability if interest rates fall below the "cap" or "strike" rate. As part of our interest rate risk management strategy and when economically feasible, we may simultaneously sell a corresponding interest rate cap agreement in order to offset the premium paid by our special purpose finance subsidiary to purchase the interest rate cap agreement and thus retain the interest rate risk. The fair value of the interest rate cap agreement purchased by the special purpose finance subsidiary is included in other assets and the fair value of the interest rate cap agreement sold by us is included in other liabilities on our consolidated balance sheets. The change in the fair value of the interest rate cap agreements is recorded in interest expense.

Swap Agreements. We utilize interest rate swap agreements to convert floating rate exposures on securities issued in securitization transactions to fixed rates, thereby hedging the variability in interest expense paid. At December 31, 2015, none of these pay-fixed, receive-floating interest rate swap agreements were designated as accounting hedges. The change in fair value of these derivatives is recorded in interest expense.

We designate certain receive-fixed, pay-floating interest rate swaps as fair value hedges of fixed-rate debt. The risk being hedged is the risk of changes in the fair value of the hedged debt attributable to changes in the benchmark interest rate. If the hedge relationship is deemed to be highly effective, we record the changes in the fair value of the hedged debt related to the risk being hedged in interest expense. The change in fair value of the related derivative (excluding accrued interest) is also recorded in interest expense.

The fair value of interest rate swaps is included in other assets or other liabilities on our consolidated balance sheets. Cash flows from interest rate swaps are classified as operating activities on our consolidated statements of cash flows.

Table of Contents

The following table provides information about our interest rate-sensitive financial instruments by expected maturity date as of December 31, 2015 (dollars in millions):

Years Ending December 31,	2016	2017	2018	2019	2020	Thereafter	Fair Value
Assets							
Retail finance receivables							
Principal amounts	$ 11,415	$ 8,204	$ 5,136	$ 2,715	$ 1,268	$ 523	$ 28,545
Weighted-average annual percentage rate	9.03%	9.08%	9.09%	9.17%	9.16%	9.37%	
Commercial finance receivables							
Principal amounts	$ 8,084	$ 113	$ 111	$ 117	$ 77	$ 108	$ 8,392
Weighted-average annual percentage rate	2.89%	4.42%	4.31%	4.30%	4.38%	4.24%	
Interest rate swaps							
Notional amounts	$ 1,361	$ 1,499	$ 1,092	$ 155	$ 14	$ 1	$ 8
Average pay rate	0.97%	1.03%	1.06%	2.03%	4.73%	3.97%	
Average receive rate	0.93%	1.34%	1.49%	2.48%	6.54%	5.56%	
Interest rate caps purchased							
Notional amounts	$ 1,760	$ 1,889	$ 1,488	$ 734	$ 356	$ 100	$ 19
Average strike rate	3.26%	3.27%	3.23%	2.72%	2.72%	2.66%	
Liabilities							
Secured debt							
Revolving credit facilities							
Principal amounts	$ 5,563	$ 1,286	$ 592	$ 95	$ 11	$ —	$ 7,494
Weighted-average effective interest rate	2.50%	3.85%	3.92%	5.53%	4.86%	—%	
Securitization notes payable							
Principal amounts	$ 8,887	$ 7,882	$ 5,096	$ 1,025	$ 306	$ —	$ 23,177
Weighted-average effective interest rate	1.80%	1.84%	2.17%	2.60%	2.59%	—%	
Unsecured debt							
Senior notes							
Principal amounts	$ 1,000	$ 2,738	$ 3,106	$ 3,093	$ 4,110	$ 5,050	$ 19,045
Weighted-average effective interest rate	2.75%	3.57%	3.08%	2.93%	3.22%	4.04%	
Credit facilities							
Principal amounts	$ 1,936	$ 643	$ 108	72	$ —	$ —	$ 2,753
Weighted-average effective interest rate	9.34%	8.11%	5.25%	5.19%	—%	—%	
Retail customer deposits							
Principal amounts	$ 892	$ 123	$ 245	$ —	$ —	$ —	$ 1,262
Weighted-average effective interest rate	1.44%	1.59%	1.64%	—%	—%	—%	
Other unsecured debt							
Principal amounts	$ 515	$ 150	$ —	$ —	$ —	$ —	$ 666
Weighted-average effective interest rate	13.59%	14.69%	—%	—%	—%	—%	
Interest rate swaps							
Notional amounts	$ 2,991	$ 2,950	$ 1,912	$ 176	$ 12	$ —	$ 24
Average pay rate	0.92%	1.03%	1.15%	2.07%	5.33%	—%	
Average receive rate	0.73%	1.10%	0.94%	2.10%	4.62%	—%	
Interest rate caps sold							
Notional amounts	$ 1,541	$ 1,739	$ 1,422	$ 734	$ 356	$ 100	$ 19
Average strike rate	3.19%	3.19%	3.17%	3.13%	2.72%	2.66%	

The following table provides information about our interest rate-sensitive financial instruments by expected maturity date as of December 31, 2014 (dollars in millions):

Years Ending December 31,	2015	2016	2017	2018	2019	Thereafter	Fair Value
Assets							
Retail finance receivables							
Principal amounts	$ 10,440	$ 7,336	$ 4,551	$ 2,308	$ 968	$ 382	$ 25,541
Weighted-average annual percentage rate	10.26%	10.45%	10.56%	10.82%	11.04%	11.21%	
Commercial finance receivables							
Principal amounts	$ 7,773	$ 81	$ 71	$ 93	$ 90	$ 51	$ 8,032
Weighted-average annual percentage rate	6.12%	4.62%	4.41%	6.63%	4.39%	4.67%	
Interest rate swaps							
Notional amounts	$ 636	$ 539	$ 388	$ 76	$ 13	$ —	$ 6
Average pay rate	1.76%	1.68%	1.95%	3.63%	5.18%	—%	
Average receive rate	1.34%	1.43%	1.90%	3.98%	6.19%	—%	
Interest rate caps purchased							
Notional amounts	$ 469	$ 570	$ 566	$ 197	$ 69	$ 252	$ 6
Average strike rate	3.38%	3.21%	3.12%	3.14%	3.18%	3.20%	
Liabilities							
Secured debt							
Revolving credit facilities							
Principal amounts	$ 4,532	$ 1,593	$ 757	$ 141	$ 17	$ —	$ 6,991
Weighted-average effective interest rate	4.36%	5.92%	6.34%	8.63%	8.87%	—%	
Securitization notes payable							
Principal amounts	$ 7,348	$ 5,703	$ 3,596	$ 1,190	$ 354	$ —	$ 18,237
Weighted-average effective interest rate	1.94%	1.86%	2.04%	2.50%	3.06%	—%	
Unsecured debt							
Senior notes							
Principal amounts	$ —	$ 1,000	$ 2,795	$ 1,250	$ 1,405	$ 2,000	$ 8,707
Weighted-average effective interest rate	—%	2.75%	3.56%	4.65%	2.80%	4.33%	
Credit facilities and other unsecured debt							
Principal amounts	$ 2,611	$ 881	$ 107	$ 85	$ 84	$ —	$ 3,772
Weighted-average effective interest rate	10.33%	9.70%	5.64%	5.14%	5.14%	—%	
Interest rate swaps							
Notional amounts	$ 1,533	$ 2,207	$ 1,397	$ 459	$ 31	$ —	$ 39
Average pay rate	1.06%	0.98%	1.02%	1.21%	1.97%	—%	
Average receive rate	0.56%	0.53%	0.67%	0.99%	1.94%	—%	
Interest rate caps sold							
Notional amounts	$ 292	$ 456	$ 537	$ 197	$ 69	$ 253	$ 6
Average strike rate	3.12%	3.13%	3.10%	3.14%	3.18%	3.19%	

Finance receivables, both retail and commercial, are estimated to be realized by us in future periods using discount rate, prepayment and credit loss assumptions similar to our historical experience. Notional amounts on interest rate swap and cap agreements are based on contractual terms. Revolving credit facilities and securitization notes payable amounts have been classified based on expected payoff. Senior notes, credit facilities and other unsecured debt principal amounts have been classified based on maturity.

Interest rates are primarily fixed on retail finance receivables and floating on commercial finance receivables. Interest rates on securitization notes payable and unsecured senior notes are primarily fixed. Interest rates are primarily floating on credit facilities, deposits and other unsecured debt.

The notional amounts of interest rate swap and cap agreements, which are used to calculate the contractual payments to be exchanged under the contracts, represent average amounts that will be outstanding for each of the years included in the table. Notional amounts do not represent amounts exchanged by parties and, thus, are not a measure of our exposure to loss through our use of these agreements.

Management monitors our hedging activities to ensure that the value of derivative financial instruments, their correlation to the contracts being hedged and the amounts being hedged continue to provide effective protection against interest rate risk. However, there can be no assurance that our strategies will be effective in minimizing interest rate risk or that increases in interest rates will not have an adverse effect on our profitability. All transactions are entered into for purposes other than trading.

Foreign Currency Exchange Rate Risk

We primarily finance receivables and lease assets with debt in the same currency, minimizing exposure to exchange rate movements. When a different currency is used, we may use foreign currency derivatives to minimize any impact to earnings. Exchange rate movements can impact our net investment in foreign subsidiaries, which impacts our tangible equity through other comprehensive income.

The following table summarizes the amounts of foreign currency translation and transaction and remeasurement losses (dollars in millions):

	Year Ended December 31,		
	2015	2014	2013
Foreign currency translation losses (gains) recorded in accumulated other comprehensive loss	$ 669	$ 430	$ (11)
Losses (gains) resulting from foreign currency transactions and remeasurement recorded in earnings	$ 58	$ 170	$ (151)
(Gains) losses resulting from foreign currency exchange swaps recorded in earnings	(42)	(163)	149
Net losses (gains) resulting from foreign currency exchange recorded in earnings	$ 16	$ 7	$ (2)

Most of the international operations use functional currencies other than the U.S. Dollar. Translation adjustments result from changes in the values of our international currency-denominated assets and liabilities as the value of the U.S. Dollar changes in relation to international currencies. The foreign currency translation losses in 2015 and 2014 were primarily due to decreases in the values of the Brazilian Real, the Canadian Dollar and the Euro in relation to the U.S Dollar.

Counterparty Risk

Counterparty risk relates to the financial loss we could incur if an obligor or counterparty to a transaction is unable to meet its financial obligations. Typical sources of exposure include balances maintained in bank accounts, investments, and derivative contracts. Investments are typically securities representing high quality monetary instruments which are easily accessible and derivative contracts are used for managing interest rate and foreign currency exchange rate risk. We, together with GM, establish exposure limits for each counterparty to minimize risk and provide counterparty diversification.

We maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. We enter into arrangements with individual counterparties that we believe are creditworthy and generally settle on a net basis. In addition, we perform a quarterly assessment of our counterparty credit risk, including a review of credit ratings, credit default swap rates and potential nonperformance of the counterparty.

Operating Risk

We operate in many locations and rely on the abilities of our employees and computer systems to process a large number of transactions. Improper employee actions, improper operation of systems, or unforeseen business interruptions could result in financial loss, regulatory action and damage to our reputation, and breach of contractual obligations. To address this risk, we maintain internal control processes that identify transaction authorization requirements, safeguard assets from misuse or theft, protect the reliability of financial and other data, and minimize the impact of a business interruption on our customers. We also maintain system controls to maintain the accuracy of information about our operations. These controls are designed to manage operating risk throughout our operation.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of

General Motors Financial Company, Inc.:

We have audited the accompanying consolidated balance sheets of General Motors Financial Company, Inc. and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of General Motors Financial Company, Inc. and subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP
Fort Worth, Texas
February 3, 2016

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	December 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 3,061	$ 2,974
Finance receivables, net (Note 3; Note 9 VIEs)	36,781	33,000
Leased vehicles, net (Note 4; Note 9 VIEs)	20,172	7,060
Restricted cash (Note 5; Note 9 VIEs)	1,941	2,071
Goodwill (Note 6)	1,189	1,244
Equity in net assets of non-consolidated affiliates (Note 7)	986	—
Property and equipment, net of accumulated depreciation of $91 and $59	219	172
Deferred income taxes (Note 14)	231	341
Related party receivables	573	384
Other assets	751	362
Total assets	$ 65,904	$ 47,608
Liabilities and Shareholder's Equity		
Liabilities		
Secured debt (Note 8; Note 9 VIEs)	$ 30,689	$ 25,173
Unsecured debt (Note 8)	23,657	12,142
Accounts payable and accrued expenses	1,218	1,002
Deferred income	1,454	392
Deferred income taxes (Note 14)	129	20
Related party taxes payable	—	636
Related party payables	362	433
Other liabilities	343	418
Total liabilities	57,852	40,216
Commitments and contingencies (Note 11)		
Shareholder's equity		
Common stock, $1.00 par value per share, 1,000 shares authorized and 505 shares issued	—	—
Additional paid-in capital	6,484	5,799
Accumulated other comprehensive loss (Note 18)	(1,104)	(433)
Retained earnings	2,672	2,026
Total shareholder's equity	8,052	7,392
Total liabilities and shareholder's equity	$ 65,904	$ 47,608

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2015	**2014**	**2013**
Revenue			
Finance charge income	$ 3,381	$ 3,475	$ 2,563
Leased vehicle income	2,807	1,090	595
Other income	266	289	186
Total revenue	6,454	4,854	3,344
Costs and expenses			
Salaries and benefits	726	614	448
Other operating expenses	567	548	322
Total operating expenses	1,293	1,162	770
Leased vehicle expenses	2,200	847	453
Provision for loan losses	624	604	475
Interest expense	1,616	1,426	721
Acquisition and integration expenses	—	—	42
Total costs and expenses	5,733	4,039	2,461
Equity income (Note 7)	116	—	—
Income before income taxes	837	815	883
Income tax provision (Note 14)	191	278	317
Net income	646	537	566
Other comprehensive income			
Defined benefit plans, net	(2)	(14)	3
Foreign currency translation adjustment	(669)	(430)	11
Other comprehensive (loss) income, net	(671)	(444)	14
Comprehensive (loss) income	$ (25)	$ 93	$ 580

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
(dollars in millions)

	Years Ended December 31,		
	2015	2014	2013
Common Stock Shares			
Balance at the beginning of period	505	502	500
Common stock issued	—	3	2
Balance at the end of period	505	505	502
Common Stock Amount			
Balance at the beginning of period	$ —	$ —	$ —
Common stock issued	—	—	—
Balance at the end of period	$ —	$ —	$ —
Additional Paid-in Capital			
Balance at the beginning of period	$ 5,799	$ 4,785	$ 3,459
Stock-based compensation expense	35	18	10
Capital contributions from related party	649	996	1,300
Differences between tax payments due under consolidated return and separate return basis	1	—	16
Balance at the end of period	$ 6,484	$ 5,799	$ 4,785
Accumulated Other Comprehensive Income (Loss)			
Balance at the beginning of period	$ (433)	$ 11	$ (3)
Other comprehensive (loss) income, net	(671)	(444)	14
Balance at the end of period	$ (1,104)	$ (433)	$ 11
Retained Earnings			
Balance at the beginning of period	$ 2,026	$ 1,489	$ 923
Net income	646	537	566
Balance at the end of period	$ 2,672	$ 2,026	$ 1,489

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2015	**2014**	**2013**
Cash flows from operating activities			
Net income	$ 646	$ 537	$ 566
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	2,403	992	545
Accretion and amortization of loan and leasing fees	(609)	(363)	(88)
Amortization of carrying value adjustment	(149)	(234)	(94)
Equity income	(116)	—	—
Provision for loan losses	624	604	475
Deferred income taxes	132	(83)	179
Stock-based compensation expense	36	19	9
Other	(37)	182	(167)
Changes in assets and liabilities, net of assets and liabilities acquired:			
Other assets	(104)	(88)	(127)
Accounts payable and accrued expenses	282	133	195
Taxes payable	(20)	(63)	20
Related party taxes payable	(636)	(7)	84
Related party payables	(13)	5	(39)
Net cash provided by operating activities	2,439	1,634	1,558
Cash flows from investing activities			
Purchases of retail finance receivables, net	(17,517)	(14,749)	(9,573)
Principal collections and recoveries on retail finance receivables	11,726	10,860	7,524
Net funding of commercial finance receivables	(1,017)	(1,898)	(1,266)
Purchases of leased vehicles, net	(15,337)	(4,882)	(2,262)
Proceeds from termination of leased vehicles	1,096	533	217
Acquisition of international operations	(1,049)	(46)	(2,615)
Disposition of equity interest	125	—	—
Purchases of property and equipment	(90)	(52)	(16)
Change in restricted cash	(264)	(232)	(267)
Change in other assets	30	(2)	3
Net cash used in investing activities	(22,297)	(10,468)	(8,255)
Cash flows from financing activities			
Net change in debt (original maturities less than three months)	1,147	470	—
Borrowings and issuance of secured debt	22,385	21,080	17,378
Payments on secured debt	(15,178)	(16,890)	(13,222)
Borrowings and issuance of unsecured debt	12,977	7,174	5,224
Payments on unsecured debt	(1,709)	(1,889)	(2,699)
Borrowings on related party line of credit	—	—	1,100
Payments on related party line of credit	—	—	(1,100)
Repayment of debt to Ally Financial	—	—	(1,416)
Capital contributions from related party	649	996	1,300
Debt issuance costs	(155)	(127)	(76)
Other	1	—	2
Net cash provided by financing activities	20,117	10,814	6,491
Net increase (decrease) in cash and cash equivalents	259	1,980	(206)
Effect of foreign exchange rate changes on cash and cash equivalents	(172)	(80)	(9)
Cash and cash equivalents at beginning of period	2,974	1,074	1,289
Cash and cash equivalents at end of period	$ 3,061	$ 2,974	$ 1,074

The accompanying notes are an integral part of these consolidated financial statements.

GENERAL MOTORS FINANCIAL COMPANY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

History and Operations

We were formed on August 1, 1986, and, since September 1992, have been in the business of providing automotive financing solutions. We have been a wholly-owned subsidiary of GM since October 2010. We acquired Ally Financial's auto finance and financial services operations in Europe and Latin America in 2013. Additionally, on January 2, 2015, we acquired an equity interest in SAIC-GMAC, a joint venture that conducts business in China, from Ally Financial. The results of operations of the acquired entities since the applicable acquisition dates are included in our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013.

Basis of Presentation

The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries, including certain special-purpose financing entities utilized in secured financing transactions, which are considered variable interest entities ("VIEs"). All intercompany transactions and accounts have been eliminated in consolidation.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and costs and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. These estimates include, among other things, the determination of the allowance for loan losses on finance receivables, estimated residual value of leased vehicles, goodwill and income taxes.

Generally, the financial statements of entities that operate outside of the U.S. are measured using the local currency as the functional currency. All assets and liabilities of the foreign subsidiaries are translated into U.S. dollars at period-end exchange rates and the results of operations and cash flows are determined using approximate weighted-average exchange rates for the period. Translation adjustments are related to the foreign subsidiaries using local currency as their functional currency and are reported as a separate component of accumulated other comprehensive income/loss. Foreign currency transaction gains or losses are recorded directly to the consolidated statements of income and comprehensive income, regardless of whether such amounts are realized or unrealized. We may enter into foreign currency derivatives to mitigate our exposure to changes in foreign exchange rates. See Note 10 - "Derivative Financial Instruments and Hedging Activities" for further discussion.

Net Presentation of Cash Flows on Commercial Finance Receivables and Related Debt

Our commercial finance receivables are primarily comprised of floorplan financing, which are loans to dealers to finance vehicle inventory, also known as wholesale or inventory financing. In our experience, these loans are typically repaid in less than 90 days of when the credit is extended. Furthermore, we typically have the unilateral ability to call the loans and receive payment within 60 days of the call. Therefore, the presentation of the cash flows related to commercial finance receivables are reflected on the consolidated statements of cash flows as "Net funding of commercial finance receivables."

We have revolving debt agreements to finance our commercial lending activities. The revolving period of these agreements ranges from 6 to 18 months; however, the terms of these financing agreements require that a borrowing base of eligible floorplan receivables, within certain concentration limits, must be maintained in sufficient amounts to support advances. When a dealer repays a floorplan receivable to us, either the amount advanced against such receivables must be repaid by us or else the equivalent amount in new receivables must be added to the borrowing base. Despite the revolving term exceeding 90 days, the actual term for repayment of advances under these agreements is when we receive repayment from the dealers, which is typically within 90 days of when the credit is extended. Therefore, the cash flows related to these revolving debt agreements are reflected on the consolidated statements of cash flows as “Net change in debt (original maturities less than three months).”

Cash Equivalents

Investments in highly liquid securities with original maturities of 90 days or less are included in cash and cash equivalents.

Retail Finance Receivables and the Allowance for Loan Losses

Our retail finance receivables portfolio consists of smaller-balance, homogeneous loans which are carried at amortized cost, net of allowance for loan losses. These loans are divided among pools based on common risk characteristics, such as internal credit score, origination period, delinquent status and geography. An internal credit score, of which FICO is an input in North America, is created by using algorithms or statistical models contained in origination scorecards. The scorecards are used to evaluate a consumer's ability to pay based on statistical modeling of their prior credit usage, structure of the loan and other information. The output of the scorecards rank-order consumers from those that are most likely to pay to those that are least likely to pay. By further dividing the portfolio into pools based on internal credit scores we are better able to distinguish expected credit performance for different credit risks. These pools are collectively evaluated for impairment based on a statistical calculation, which is supplemented by management judgment. The allowance is aggregated for each of the pools. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable losses inherent in our finance receivables.

We use a combination of forecasting methodologies to determine the allowance for loan losses, including roll rate modeling and static pool modeling techniques. A roll rate model is generally used to project near term losses and static pool models are generally used to project losses over the remaining life. Probable losses are estimated for groups of accounts aggregated by past-due status and origination month. Generally, loss experience over the last 10 years is evaluated. Recent performance is more heavily weighted when determining the allowance to result in an estimate that is more reflective of the current internal and external environments. Factors that are considered when estimating the allowance include historical delinquency migration to loss, probability of default ("PD") and loss given default ("LGD"). PD and LGD are specifically estimated for each monthly vintage (i.e., group of originations) in cases where vintage models are used. PD is estimated based on expectations that are aligned with internal credit scores. LGD is projected based on historical trends experienced over the last 10 years, weighted toward more recent performance in order to consider recent market supply and demand factors that impact wholesale used vehicle pricing. While forecasted probable losses are quantitatively derived, we assess the recent internal operating and external environments and may qualitatively adjust certain assumptions to result in an allowance that is more reflective of losses that are expected to occur in the current environment.

We also use historical charge-off experience to determine a loss confirmation period ("LCP"). The LCP is a key assumption within our models and represents the average amount of time between when a loss event first occurs to when the receivable is charged-off. This LCP is the basis of our allowance and is applied to the forecasted probable credit losses to determine the amount of losses we believe exist at the balance sheet date.

We believe these factors are relevant in estimating incurred losses and also consider an evaluation of overall portfolio credit quality based on indicators such as changes in our credit evaluation, underwriting and collection management policies, changes in the legal and regulatory environment, general economic conditions and business trends and uncertainties in forecasting and modeling techniques used in estimating our allowance. We update our retail loss forecast models and portfolio indicators on a quarterly basis to incorporate information reflective of the current economic environment.

Assumptions regarding credit losses and loss confirmation periods are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above. Should the credit loss assumption or LCP increase, there would be an increase in the amount of allowance for loan losses required, which would decrease the net carrying value of finance receivables and increase the amount of provision for loan losses.

Finance receivables that are considered impaired, including troubled debt restructurings ("TDRs") are individually evaluated for impairment. In assessing the risk of individually impaired loans such as TDRs, among the factors we consider are the financial condition of the borrower, geography, collateral performance, historical loss experience, and industry-specific information that management believes is relevant in determining the occurrence of a loss event and measuring impairment. These factors are based on an evaluation of historical and current information, and involve subjective assessment and interpretation.

Commercial Finance Receivables and the Allowance for Loan Losses

Our commercial lending offerings consist of floorplan financing as well as dealer loans, which are loans to finance improvements to dealership facilities, to provide working capital, and to purchase and/or finance dealership real estate.

Commercial finance receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover probable credit losses inherent in the commercial finance receivables. For the International Segment, we established the allowance for loan losses based on historical loss experience. Since we began offering commercial lending in the North America Segment in 2012, we have performed an analysis of the experience of comparable commercial lenders in order to estimate probable credit losses inherent in our portfolio. The commercial finance receivables are aggregated into loan-risk pools, which are determined based on our internally-developed risk rating system. Based upon our risk ratings, we also determine if any specific dealer loan is considered impaired. If impaired loans are identified, specific reserves are established, as appropriate, and the loan is segregated for separate monitoring.

Charge-off Policy

Our policy is to charge off a retail account in the month in which the account becomes 120 days contractually delinquent if we have not yet recorded a repossession charge-off. In the North America Segment, we charge off accounts in repossession when the automobile is repossessed and legally available for disposition. In the International Segment, we charge off accounts when the repossession process is started. A charge-off generally represents the difference between the estimated net sales proceeds and the amount of the contract, including accrued interest. Accounts in repossession that have been charged off and have been removed from finance receivables and the related repossessed automobiles, aggregating $54 million and $31 million at December 31, 2015 and 2014, are included in other assets on the consolidated balance sheets pending sale and represent a non-cash investing activity.

Commercial finance receivables are individually evaluated and, where collectability of the recorded balance is in doubt, are written down to the fair value of the collateral less costs to sell. Commercial receivables are charged off at the earlier of when they are deemed uncollectible or reach 360 days past due.

Troubled Debt Restructurings

In evaluating whether a loan modification constitutes a TDR, our policy for retail loans is that both of the following must exist: (i) the modification constitutes a concession; and (ii) the debtor is experiencing financial difficulties. In accordance with our policies and guidelines, we, at times, offer payment deferrals to customers. Each deferral allows the consumer to move up to two delinquent monthly payments to the end of the loan generally by paying a fee (approximately the interest portion of the payment deferred, except where state law provides for a lesser amount). A loan that is deferred two or more times would be considered significantly delayed and therefore meets the definition of a concession. A loan currently in payment default as the result of being delinquent would also represent a debtor experiencing financial difficulties. Therefore, considering these two factors, we have determined that the second deferment granted by us on a retail loan will be considered a TDR and the loan impaired. Accounts in Chapter 13 bankruptcy that have an interest rate or principal adjustment as part of a confirmed bankruptcy plan would also be considered TDRs. Retail finance receivables that become classified as TDRs are separately assessed for impairment. A specific allowance is estimated based on the present value of expected cash flows of the receivable discounted at the loan's original effective interest rate.

Commercial receivables subject to forbearance, moratoriums, extension agreements, or other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral are classified as TDRs. We do not grant concessions on the principal balance of dealer loans.

Variable Interest Entities – Securitizations and Credit Facilities

We finance our loan and lease origination volume through the use of our credit facilities and execution of securitization transactions, which both utilize special purpose entities ("SPEs"). In a credit facility, we transfer finance receivables or lease-related assets to special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the agents, collateralized by such assets and cash. The agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of the assets.

In our securitizations, we transfer finance receivables or lease-related assets to SPEs structured as securitization trusts ("Trusts"), which issue one or more classes of asset-backed securities. The asset-backed securities are in turn sold to investors.

Our continuing involvement with the credit facilities and Trusts consist of servicing assets held by the SPEs and holding residual interests in the SPEs. These transactions are structured without recourse. The SPEs are considered VIEs under U.S. GAAP and are consolidated because we have: (i) power over the significant activities of the entity and (ii) an obligation to absorb losses or the right to receive benefits from the VIE which are potentially significant to the VIE.

Our servicing fees are not considered significant variable interests in the VIEs; however, because we also retain residual interests in the SPEs, either in the form of debt securities or equity interests, we have an obligation to absorb losses or the right to receive benefits that are potentially significant to the SPEs. Accordingly, we are the primary beneficiary of the VIEs and are required to consolidate them within our consolidated financial statements. Therefore, the finance receivables, leasing related assets, borrowings under our credit facilities and, following a securitization, the related securitization notes payable remain on the consolidated balance sheets. See Note 3 - "Finance Receivables," Note 8 - "Debt" and Note 9 - "Variable Interest Entities" for further information.

We are not required, and do not currently intend, to provide any additional financial support to SPEs. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the finance receivables and other assets held by these subsidiaries are legally owned by them and are not available to our creditors or creditors of our other subsidiaries.

Except for purchase accounting adjustments, we recognize finance charge, lease vehicle and fee income on the securitized assets and interest expense on the secured debt issued in a securitization transaction, and record a provision for loan losses to recognize probable loan losses inherent in the securitized assets. Cash pledged to support securitization transactions is deposited to a restricted account and recorded on our consolidated balance sheets as restricted cash, which is invested in highly liquid securities with original maturities of 90 days or less.

Property and Equipment

As a result of the merger with GM and acquisition of the international operations, our property and equipment was adjusted to an estimated fair market value. Subsequent to the merger with GM, property and equipment additions are carried at amortized cost. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets, which ranges from 1 to 30 years. The basis of assets sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition and any resulting gain or loss is included in operations. Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized.

Leased Vehicles

Leased vehicles consist of automobiles leased to customers and are carried at amortized cost less manufacturer incentives. Depreciation expense is recorded on a straight-line basis over the term of the lease agreement. Leased vehicles are depreciated to the estimated residual value at the end of the lease term. Under the accounting for impairment or disposal of long-lived assets, residual values of operating leases are evaluated individually for impairment when indicators of impairment exist. When indicators of impairment exist and aggregate future cash flows from the operating lease, including the expected realizable fair value of the leased asset at the end of the lease, are less than the book value of the lease, an immediate impairment write-down is recognized if the difference is deemed not recoverable. Otherwise, reductions in the expected residual value result in additional depreciation of the leased asset over the remaining term of the lease. Upon disposition, a gain or loss is recorded for any difference between the net book value of the lease and the proceeds from the disposition of the asset, including any insurance proceeds.

Goodwill

The excess of the purchase price of the merger with GM over the fair value of the net assets acquired was recorded as goodwill, and was attributed to the North America reporting unit, which was our only reporting unit at that time. With the acquisition of the international operations, we added two additional reporting units: Latin America and Europe. The excess of the purchase price of the acquisition of the international operations over the fair value of the net assets acquired was all attributed to the Latin America reporting unit. We performed our annual goodwill impairment testing as of October 1, 2015 for each reporting unit. No impairment charges were recognized to either the North America or the Latin America reporting unit in the years ended December 31, 2015, 2014 or 2013.

If an indication of impairment exists and the fair value of any reporting unit is less than the carrying amount reflected in the balance sheet, then the amount of goodwill attributed to a reporting unit may be impaired, and we perform a second step of the impairment test. In the second step, we compare the goodwill amount reflected in the balance sheet to the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation.

We determined the fair value of each reporting unit with consideration to valuations under the market approach and the income approach. The income approach evaluates the cash flow of the reporting unit over a specified time, discounted at an appropriate market rate to arrive at an indication of the most probable selling price. Factors contributing to the determination of the reporting unit's operating performance were historical performance and management's estimates of future performance.

The following table reflects certain key estimates and assumptions used in our 2015 impairment testing of the North America reporting unit, which represents 93% of our goodwill balance:

Market approach assumptions	
Trailing-twelve months' earnings multiple	11.1x
Forward earnings multiple	12.7x
Weighting applied	25%
Income approach assumptions	
Cost of equity	11.2%
Targeted equity-to-earning assets ratio	8.6% declining to 7.5%
Weighting applied	75%

The results of the first step of the impairment test indicated that the fair value exceeded the carrying value; therefore, it was not necessary to perform the second step analysis. If actual market conditions are less favorable than those we and the industry have projected, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Derivative Financial Instruments

We recognize all of our derivative financial instruments as either assets or liabilities on our consolidated balance sheets at fair value. The accounting for changes in the fair value of each derivative financial instrument depends on whether it has been designated and qualifies as an accounting hedge, as well as the type of hedging relationship identified.

Our special purpose finance subsidiaries are often contractually required to purchase derivative instruments, which could include interest rate swap agreements and/or interest rate cap agreements which are explained below, as credit enhancement in connection with securitization transactions and credit facilities.

We do not use derivative instruments for trading or speculative purposes.

Interest Rate Swap Agreements. We utilize interest rate swap agreements to convert floating rate exposures on securities issued in securitization transactions to fixed rates, thereby hedging the variability in interest expense paid. Cash flows from derivatives used to manage interest rate risk are classified as operating activities. At December 31, 2015, none of our pay-fixed, receive-floating interest rate swap agreements were designated as accounting hedges.

We designate certain receive-fixed, pay-floating interest rate swaps as fair value hedges of fixed-rate debt. The risk being hedged is the risk of changes in the fair value of the hedged debt attributable to changes in the benchmark interest rate. If the hedge relationship is deemed to be highly effective, we record the changes in the fair value of the hedged debt related to the risk being hedged in interest expense. The change in fair value of the related derivative (excluding accrued interest) is also recorded in interest expense.

Interest Rate Cap Agreements. We often purchase interest rate cap agreements to limit floating rate exposures in our credit facilities. As part of our interest rate risk management strategy and when economically feasible, we may simultaneously sell a corresponding interest rate cap agreement in order to offset the premium paid to purchase the interest rate cap agreement and thus retain the interest rate risk. Because the interest rate cap agreements entered into by us or our special purpose finance subsidiaries do not qualify for hedge accounting, changes in the fair value of interest rate cap agreements purchased by the special purpose finance subsidiaries and interest rate cap agreements sold by us are recorded in interest expense.

Interest rate risk management contracts are generally expressed in notional principal or contract amounts that are much larger than the amounts potentially at risk for nonpayment by counterparties. Therefore, in the event of nonperformance by the counterparties, our credit exposure is limited to the uncollected interest and the market value related to the contracts that have become favorable to us. We manage the credit risk of such contracts by using highly rated counterparties, establishing risk limits and monitoring the credit ratings of the counterparties.

We maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. We enter into arrangements with individual counterparties that we believe are creditworthy and generally settle on a net basis. In addition, we perform a quarterly assessment of our counterparty credit risk, including a review of credit ratings, credit default swap rates and potential nonperformance of the counterparty.

Foreign Currency Swaps. Our policy is to minimize exposure to changes in currency exchange rates. To meet funding objectives, we borrow in a variety of currencies. We face exposure to currency exchange rates when the currency of our earning assets differs from the currency of the debt funding those assets. When possible, we fund earning assets with debt in the same currency, minimizing exposure to exchange rate movements. When a different currency is used, we may use foreign currency swaps to convert our debt obligations to the local currency of the earning assets.

Fair Value

ASC 820, *Fair Value Measurements*, provides a framework for measuring fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurement requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

(i) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

(ii) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

(iii) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach that considers a stream of expected cash flows, discounted at an appropriate market interest rate.

Financial instruments are considered Level 1 when quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial instruments are considered Level 2 when inputs other than quoted prices are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Financial instruments are considered Level 3 when their values are determined using price models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

Income Taxes

On our stand-alone financial statements, we account for income taxes on a separate return basis using an asset and liability method which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, net operating loss and tax credit carryforwards. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

We record uncertain tax positions on the basis of a two-step process whereby: (1) we determine whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position; and (2) for those tax positions that meet the more likely than not recognition, we recognize the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority. We record interest and penalties on uncertain tax positions in income tax expense (benefit).

Revenue Recognition

Finance charge income related to retail finance receivables is recognized using the effective interest method. Fees and commissions received and direct costs of originating loans are generally deferred and amortized over the term of the related finance receivables using the effective interest method and are removed from the consolidated balance sheets when the related finance receivables are sold, charged off or paid in full. Accrual of finance charge income is suspended on accounts that are more than 60 days delinquent, accounts in bankruptcy and accounts in repossession. Payments received on non-accrual loans are first applied to any fees due, then to any interest due and, finally, any remaining amounts received are recorded to principal. Interest accrual resumes once an account has received payments bringing the delinquency status to less than 60 days past due.

Finance charge income related to commercial finance receivables is recognized using the accrual method. Accrual of finance charge income is generally suspended on accounts that are more than 90 days delinquent, upon receipt of a bankruptcy notice from a borrower, or where reasonable doubt about the full collectability of contractually agreed upon principal and interest exist. Payments received on non-accrual loans are first applied to principal. Interest accrual resumes once an account has received payments bringing the delinquency status fully current and collection of contractual principal and interest is reasonably expected (including amounts previously charged-off) or, for TDRs, when repayment is reasonably assured based on the modified terms of the loan.

Operating lease rental income for leased vehicles is recognized on a straight-line basis over the lease term. Net deferred origination fees or costs are amortized on a straight-line basis over the term of the lease agreement.

Parent Company Stock-Based Compensation

We measure and record compensation expense for parent company stock-based compensation awards based on the award's estimated fair value. We record compensation expense over the applicable vesting period of an award.

Salary stock awards granted are fully vested and nonforfeitable upon grant; therefore, compensation cost is recorded on the date of grant.

See Note 12 - "Parent Company Stock-Based Compensation" for further information.

Segment Information

We offer substantially similar products and services throughout many different regions, subject to local regulations and market conditions. We evaluate our business in two operating segments: North America ("the North America Segment") and international ("the International Segment"). The North America Segment includes our operations in the U.S. and Canada. The International Segment includes our operations in all other countries. For additional financial information regarding our business segments, see Note 17 - "Segment Reporting and Geographic Information."

Related Party Transactions

We offer loan and lease finance products through GM-franchised dealers to customers purchasing new and certain used vehicles manufactured by GM and make commercial loans directly to GM-franchised dealers and their affiliates. Under subvention programs, GM makes cash payments to us for offering incentivized rates and structures on retail loan and lease finance products. In addition, GM makes payments to us to cover certain interest payments on commercial loans. For the years ended December 31, 2015, 2014 and 2013, we received $3.6 billion, $1.2 billion and $451 million in subvention payments from GM, primarily related to lease originations. Amortization of lease subvention was $1.0 billion, $311 million and $159 million for the years ended December 31, 2015, 2014 and 2013. In our International Segment, we provide limited funding to GM for new and used vehicles awaiting delivery to dealers. At December 31, 2015 and 2014, we had intercompany receivables from GM in the amount of $573 million and $384 million under these programs.

At December 31, 2015 and 2014, we had $229 million and $176 million in commercial loans outstanding to dealers that are consolidated by GM. Prior to January 1, 2015 we provided financing to certain GM subsidiaries through factoring and other wholesale financing arrangements. At December 31, 2014, $289 million was outstanding under such arrangements, and is included in commercial finance receivables. No amounts were outstanding under these arrangements at December 31, 2015. At December 31, 2015 and 2014, we had $362 million and $433 million of related party payables due to GM, primarily for commercial finance receivables originated but not yet funded. These payables typically settle within 30 days.

As discussed in Note 14 - "Income Taxes" we have a tax sharing agreement with GM for our U.S. operations. Under our tax sharing arrangement with GM, payments related to our U.S. operations for the tax years 2010 through 2014 were deferred for four years from their original due date. During 2014, accrued tax payments of $296 million, related to the 2010 and 2011 tax years, were converted to and treated as capital contributions. As of December 31, 2014, we had related party taxes payable to GM in the amount of $636 million. During 2015, the outstanding balance of $649 million, including an adjustment recorded in 2015 for finalizing the 2014 tax return, was converted to and treated as a capital contribution.

On January 2, 2015, we completed the acquisition of Ally Financial's 40% equity interest in SAIC-GMAC. The aggregate purchase price was $1.0 billion. Also on January 2, 2015, we sold a 5% equity interest in SAIC-GMAC to Shanghai Automotive Group Finance Company Ltd. (“SAIC FC”), a current shareholder of SAIC-GMAC, for proceeds of $125 million. As a result of these transactions, we own a 35% equity interest in SAIC-GMAC. GM indirectly owns an additional 10% equity interest in SAIC-GMAC. GM contributed $700 million to our equity in December 2014 to facilitate this acquisition.

In September 2014, we and GM entered into a Support Agreement (the "Support Agreement"). Pursuant to the Support Agreement, if our earning assets leverage at the end of any calendar quarter is higher than thresholds set in the Support Agreement, we may require GM to provide funding sufficient to bring our earning assets leverage to within the appropriate threshold. In determining our earning assets leverage (net earning assets divided by adjusted equity) under the Support Agreement, net earning assets means our finance receivables, net, plus leased vehicles, net, and adjusted equity means our equity, net of goodwill and inclusive of outstanding junior subordinated debt, as each may be adjusted for derivative accounting from time to time. At December 31, 2015, our earning assets leverage ratio was 8.3, which was below the applicable ratio of 9.5.

Additionally, the Support Agreement provides that GM will own all of our outstanding voting shares as long as we have any unsecured debt securities outstanding and that GM will use its commercially reasonable efforts to ensure that we will continue to be designated as a subsidiary borrower of up to $4.0 billion under GM's corporate revolving credit facilities. GM also agreed to certain provisions intended to ensure that we maintain adequate access to liquidity. Pursuant to these provisions, GM provided us with the $1.0 billion GM Junior Subordinated Revolving Credit Facility. There were no advances outstanding under the GM Junior Subordinated Revolving Credit Facility at December 31, 2015.

Recently Adopted Accounting Standards

In 2015 we adopted ASU 2015-02, "Amendments to the Consolidation Analysis" (ASU 2015-02), which is effective for annual reporting periods beginning on or after December 15, 2015, with early adoption permitted. ASU 2015-02 requires us to reassess whether certain entities should be consolidated. The adoption of ASU 2015-02 did not have a material impact on our consolidated financial statements.

In 2015 we adopted ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs" (ASU 2015-03), which is effective for annual reporting periods beginning on or after December 15, 2015, with early adoption permitted. ASU 2015-03 requires debt issuance costs associated with non-revolving debt to be presented as a reduction to the debt principal balance, with retrospective application. As a result of our adoption, we reclassified $116 million from other assets to debt for 2014, of which $41 million was reclassified to secured debt and $75 million was reclassified to unsecured debt.

Accounting Standards Not Yet Adopted

In May 2014 the FASB issued ASU 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09), which requires companies to recognize revenue when a customer obtains control rather than when companies have transferred substantially all risks and rewards of a good or service and requires expanded disclosures. ASU 2014-09 is effective for annual reporting periods beginning on or after December 15, 2017 with early adoption permitted for reporting periods beginning on or after December 15, 2016. We continue to assess the overall impact the adoption of ASU 2014-09 will have on our consolidated financial statements.

Note 2. Acquisition of Ally Financial International Operations

In November 2012, we entered into a definitive agreement with Ally Financial to acquire the outstanding equity interests in the top-level holding companies of its automotive finance and financial services operations in Europe and Latin America and a separate agreement to acquire Ally Financial's non-controlling equity interest in SAIC-GMAC, which conducts auto finance operations in China.

During 2013, we completed the acquisition of Ally Financial's European and Latin American auto finance and financial services operations. The aggregate consideration for these acquisitions was $3.3 billion. In addition, we repaid debt of $1.4 billion that was assumed as part of the acquisitions. We recorded the fair value of the assets acquired and liabilities assumed on the acquisition date.

On January 2, 2015, we completed the acquisition of Ally Financial's 40% equity interest in SAIC-GMAC. The aggregate purchase price was $1.0 billion. Also on January 2, 2015, we sold a 5% equity interest in SAIC-GMAC to SAIC FC, a current shareholder of SAIC-GMAC, for proceeds of $125 million. As a result of these transactions, we own a 35% equity interest in SAIC-GMAC. We account for our ownership interest in SAIC-GMAC using the equity method of accounting. The difference between the carrying amount of our investment and our share of the underlying net assets of SAIC-GMAC at the time of acquisition was $371 million, which was primarily related to goodwill. We determined the acquisition date fair values of the identifiable assets acquired and liabilities assumed in accordance with ASC 805, "Business Combinations" ("ASC 805").

Income resulting from the equity investment in SAIC-GMAC is included in our results beginning January 2, 2015. Equity income from SAIC-GMAC recorded during 2015 was $116 million. If the acquisition had occurred on January 1, 2014, our unaudited pro forma net income for 2014 would have increased by $107 million to $644 million.

Note 3. Finance Receivables

Our pre-acquisition and post-acquisition retail finance portfolios are now reported on a combined basis, due to the diminished size of the pre-acquisition portfolio, which was $145 million at December 31, 2015 and $459 million at December 31, 2014.

The finance receivables portfolio consists of the following (in millions):

	December 31, 2015			December 31, 2014		
	North America	International	Total	North America	International	Total
Retail						
Retail finance receivables, collectively evaluated for impairment, net of fees[(a)]	$ 16,536	$ 10,976	$ 27,512	$ 12,127	$ 12,262	$ 24,389
Retail finance receivables, individually evaluated for impairment, net of fees	1,612	—	1,612	1,234	—	1,234
Total retail finance receivables[(b)]	18,148	10,976	29,124	13,361	12,262	25,623
Less: allowance for loan losses - collective	(398)	(117)	(515)	(405)	(78)	(483)
Less: allowance for loan losses - specific	(220)		(220)	(172)	—	(172)
Total retail finance receivables, net	17,530	10,859	28,389	12,784	12,184	24,968
Commercial						
Commercial finance receivables, collectively evaluated for impairment, net of fees	4,043	4,314	8,357	3,180	4,803	7,983
Commercial finance receivables, individually evaluated for impairment, net of fees	8	74	82	—	89	89
Total commercial finance receivables	4,051	4,388	8,439	3,180	4,892	8,072
Less: allowance for loan losses - collective	(23)	(15)	(38)	(21)	(14)	(35)
Less: allowance for loan losses - specific	—	(9)	(9)	—	(5)	(5)
Total commercial finance receivables, net	4,028	4,364	8,392	3,159	4,873	8,032
Total finance receivables, net	$ 21,558	$ 15,223	$ 36,781	$ 15,943	$ 17,057	$ 33,000

____

(a) *Amounts reported in the International Segment include $1.1 billion and $1.0 billion of direct-financing leases at December 31, 2015 and 2014.*

(b) *Net of unamortized premiums and discounts, and deferred fees and costs of $179 million and $245 million at December 31, 2015 and 2014.*

Retail Finance Receivables

Following is a summary of activity in our retail finance receivables portfolio (in millions):

	Years ended December 31,								
	2015			2014			2013		
	North America	International	Total	North America	International	Total	North America	International	Total
Beginning balance	$ 13,361	$ 12,262	$ 25,623	$ 11,388	$ 11,742	$ 23,130	$ 10,789	$ —	$ 10,789
Acquisition	—	—	—	—	—	—	—	10,310	10,310
Purchases	10,931	6,606	17,537	6,808	8,277	15,085	5,126	4,471	9,597
Principal collections and other	(5,272)	(5,696)	(10,968)	(4,054)	(6,180)	(10,234)	(3,943)	(3,086)	(7,029)
Charge-offs	(859)	(137)	(996)	(776)	(138)	(914)	(584)	(54)	(638)
Foreign currency translation	(13)	(2,059)	(2,072)	(5)	(1,439)	(1,444)	—	101	101
Ending balance	$ 18,148	$ 10,976	$ 29,124	$ 13,361	$ 12,262	$ 25,623	$ 11,388	$ 11,742	$ 23,130

A summary of the activity in the allowance for retail loan losses is as follows (in millions):

	Years ended December 31,								
	2015			2014			2013		
	North America	International	Total	North America	International	Total	North America	International	Total
Beginning balance	$ 577	$ 78	$ 655	$ 468	$ 29	$ 497	$ 345	$ —	$ 345
Provision for loan losses	461	151	612	468	145	613	380	52	432
Charge-offs	(859)	(137)	(996)	(776)	(138)	(914)	(584)	(54)	(638)
Recoveries	439	47	486	417	53	470	327	29	356
Foreign currency translation	—	(22)	(22)	—	(11)	(11)	—	2	2
Ending balance	$ 618	$ 117	$ 735	$ 577	$ 78	$ 655	$ 468	$ 29	$ 497

Retail Credit Quality

We use proprietary scoring systems in the underwriting process that measure the credit quality of the receivables using several factors, such as credit bureau information, consumer credit risk scores (e.g. FICO score), and contract characteristics. We also consider other factors, such as employment history, financial stability and capacity to pay. At the time of loan origination, substantially all of our international customers have the equivalent of prime credit scores. In the North America Segment, while we historically focused on consumers with lower than prime credit scores, we are expanding our prime lending programs. A summary of the credit risk profile by FICO score band or equivalent scores, determined at origination, of the retail finance receivables in the North America Segment is as follows (dollars in millions):

	December 31, 2015		December 31, 2014	
	Amount	Percent	Amount	Percent
Prime - FICO Score 680 and greater	$ 4,418	24.4%	$ 596	4.4%
Near-prime - FICO Score 620 to 679	2,890	15.9%	1,691	12.7%
Sub-prime - FICO Score less than 620	10,840	59.7%	11,074	82.9%
Balance at end of period	$ 18,148	100.0%	$ 13,361	100.0%

In addition, we review the credit quality of all of our retail finance receivables based on customer payment activity. A retail account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date such payment was contractually due. Retail finance receivables are collateralized by vehicle titles and, subject to local laws, we generally have the right to repossess the vehicle in the event the customer defaults on the payment terms of the contract. The following is a summary of the contractual amounts of retail finance receivables, which is not significantly different than recorded investment, that are (i) more than 30 days delinquent, but not yet in repossession, and (ii) in repossession, but not yet charged off (dollars in millions):

	December 31, 2015				December 31, 2014			
	North America	International	Total	Percent of Contractual Amount Due	North America	International	Total	Percent of Contractual Amount Due
31 - 60 days	$ 1,150	$ 87	$ 1,237	4.2%	$ 994	$ 89	$ 1,083	4.2%
Greater than 60 days	389	92	481	1.6	328	104	432	1.7
	1,539	179	1,718	5.8	1,322	193	1,515	5.9
In repossession	42	4	46	0.2	36	4	40	0.2
	$ 1,581	$ 183	$ 1,764	6.0%	$ 1,358	$ 197	$ 1,555	6.1%

The accrual of finance charge income had been suspended on $778 million and $682 million of retail finance receivables (based on contractual amount due) at December 31, 2015 and December 31, 2014.

Impaired Retail Finance Receivables - TDRs

Retail finance receivables that become classified as troubled debt restructurings ("TDRs") are separately assessed for impairment. A specific allowance is estimated based on the present value of the expected future cash flows of the receivable discounted at the loan's original effective interest rate. Accounts that become classified as TDRs because of a payment deferral still accrue interest at the contractual rate and an additional fee is collected (where permitted) at each time of deferral and recorded as a reduction of accrued interest. No interest or fees are forgiven on a payment deferral to a customer; therefore, there are no additional financial effects of deferred loans becoming classified as TDRs. Accounts in the U.S. in Chapter 13 bankruptcy would have already been placed on non-accrual; therefore, there are no additional financial effects from these loans becoming classified as TDRs. Finance charge income from loans classified as TDRs is accounted for in the same manner as other accruing loans. Cash collections on these loans are allocated according to the same payment hierarchy methodology applied to loans that are not classified as TDRs.

At December 31, 2015 and 2014, the outstanding balance of retail finance receivables in the International Segment determined to be TDRs was insignificant; therefore, the following information is presented with regard to the TDRs in the North America Segment only.

The outstanding recorded investment for retail finance receivables that are considered to be TDRs and the related allowance is presented below (in millions):

	December 31, 2015	December 31, 2014
Outstanding recorded investment	$ 1,612	$ 1,234
Less: allowance for loan losses	(220)	(172)
Outstanding recorded investment, net of allowance	$ 1,392	$ 1,062
Unpaid principal balance	$ 1,642	$ 1,255

Additional information about loans classified as TDRs is presented below (in millions, except for number of loans):

	Years Ended December 31,		
	2015	2014	2013
Average outstanding recorded investment	$ 1,455	$ 996	$ 487
Finance income recognized	$ 164	$ 123	$ 70
Number of loans classified as TDRs during the period	58,012	49,490	38,196
Recorded investment of loans classified as TDRs during the period	$ 982	$ 794	$ 643

A redefault is when an account meets the requirements for evaluation under our charge-off policy (See Note 1 - "Summary of Significant Accounting Policies" for additional information). The unpaid principal balance, net of recoveries, of loans that redefaulted during the reporting period and were within 12 months of being modified as a TDR were $20 million, $25 million and $22 million for the years ended December 31, 2015, 2014 and 2013.

Commercial Finance Receivables

Following is a summary of activity in our commercial finance receivables portfolio (in millions):

	Years ended December 31,								
	2015			2014			2013		
	North America	International	Total	North America	International	Total	North America	International	Total
Beginning balance	$ 3,180	$ 4,892	$ 8,072	$ 1,975	$ 4,725	$ 6,700	$ 560	$ —	$ 560
Acquisition	—	—	—	—	—	—	—	4,834	4,834
Net funding (collections)	933	51	984	1,228	661	1,889	1,424	(246)	1,178
Charge-offs	(2)	(1)	(3)	—	—	—	(2)	(3)	(5)
Foreign currency translation	(60)	(554)	(614)	(23)	(494)	(517)	(7)	140	133
Ending balance	$ 4,051	$ 4,388	$ 8,439	$ 3,180	$ 4,892	$ 8,072	$ 1,975	$ 4,725	$ 6,700

Commercial Credit Quality

We extend wholesale credit to dealers primarily in the form of approved lines of credit to purchase new vehicles as well as used vehicles. Each commercial lending request is evaluated, taking into consideration the borrower's financial condition and the underlying collateral for the loan. We use proprietary models to assign each dealer a risk rating. These models use historical performance data to identify key factors about a dealer that we consider significant in predicting a dealer's ability to meet its financial obligations. We also consider numerous other financial and qualitative factors including, but not limited to, capitalization and leverage, liquidity and cash flow, profitability and credit history.

We regularly review our models to confirm the continued business significance and statistical predictability of the factors and update the models to incorporate new factors or other information that improves statistical predictability. In addition, we verify the existence of the assets collateralizing the receivables by physical audits of vehicle inventories, which are performed with increased frequency for higher risk (i.e., Groups III, IV, V and VI) dealers. We perform a credit review of each dealer at least annually and adjust the dealer's risk rating, if necessary. The credit lines for Group VI dealers are typically suspended and no further funding is extended to these dealers.

Performance of our commercial finance receivables is evaluated based on our internal dealer risk rating analysis, as payment for wholesale receivables is generally not required until the dealer has sold or leased the vehicle inventory. All receivables from the same dealer customer share the same risk rating.

A summary of the credit risk profile by dealer grouping of the commercial finance receivables is as follows (in millions):

		December 31, 2015	December 31, 2014
Group I	- Dealers with superior financial metrics	$ 1,299	$ 1,062
Group II	- Dealers with strong financial metrics	2,648	2,090
Group III	- Dealers with fair financial metrics	2,703	2,856
Group IV	- Dealers with weak financial metrics	1,100	1,250
Group V	- Dealers warranting special mention due to potential weaknesses	505	559
Group VI	- Dealers with loans classified as substandard, doubtful or impaired	184	255
Balance at end of period		$ 8,439	$ 8,072

At December 31, 2015 and 2014, substantially all of our commercial finance receivables were current with respect to payment status and none were classified as TDRs. Activity in the allowance for commercial loan losses was insignificant for the years ended December 31, 2015, 2014 and 2013.

Note 4. Leased Vehicles

Our operating lease program is offered primarily in the North America Segment. The following information regarding our leased vehicles is presented on a consolidated basis (in millions):

	December 31, 2015	December 31, 2014
Leased vehicles	$ 27,587	$ 9,747
Manufacturer incentives	(4,582)	(1,479)
	23,005	8,268
Less: accumulated depreciation	(2,833)	(1,208)
Leased vehicles, net	$ 20,172	$ 7,060

A summary of the changes in our leased vehicles is as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Balance at beginning of period	$ 8,268	$ 4,025	$ 1,976
International operations acquisition	—	—	5
Leased vehicles purchased	20,199	6,169	2,830
Leased vehicles returned - end of term	(1,785)	(878)	(343)
Leased vehicles returned - default	(120)	(58)	(28)
Manufacturer incentives	(3,169)	(844)	(360)
Foreign currency translation	(388)	(146)	(55)
Balance at end of period	$ 23,005	$ 8,268	$ 4,025

The following table summarizes minimum rental payments due to us as lessor under operating leases (in millions):

	Years Ended December 31,					
	2016	2017	2018	2019	2020	Total
Minimum rental payments under operating leases	$ 3,359	$ 2,830	$ 1,494	$ 169	$ 4	$ 7,856

Note 5. Restricted Cash

The following table summarizes the components of restricted cash (in millions):

	December 31, 2015	December 31, 2014
Revolving credit facilities	$ 345	$ 326
Securitization notes payable	1,531	1,395
Other	65	350
Total restricted cash	$ 1,941	$ 2,071

Restricted cash for securitization notes payable and revolving credit facilities is comprised of funds deposited in restricted cash accounts as collateral required to support securitization transactions or to provide additional collateral for borrowings under revolving credit facilities. Additionally, these funds include monthly collections from borrowers that have not yet been used for repayment of debt.

At December 31, 2014, other restricted cash was primarily comprised of interest-bearing cash in Brazil held in escrow pending resolution of tax and civil litigation. At December 31, 2015, these amounts are classified as deposits and are included in other assets on the condensed consolidated balance sheet.

Note 6. Goodwill

We performed goodwill impairment testing as of October 1, 2015, in accordance with the policy described in Note 1 - "Summary of Significant Accounting Policies - Goodwill." The impairment testing indicated no impairment in any reporting unit.

The following table summarizes the changes in the carrying amounts of goodwill by segment (in millions):

	Years Ended December 31,								
	2015			2014			2013		
	North America	International	Total	North America	International	Total	North America	International	Total
Beginning balance	$ 1,106	$ 138	$ 1,244	$ 1,108	$ 132	$ 1,240	$ 1,108	$ —	$ 1,108
Acquisition	—	—	—	—	6	6	—	132	132
Foreign currency translation	(1)	(54)	(55)	(2)	—	(2)	—	—	—
Ending balance	$ 1,105	$ 84	$ 1,189	$ 1,106	$ 138	$ 1,244	$ 1,108	$ 132	$ 1,240

Note 7. Equity in Net Assets of Non-consolidated Affiliates

Non-consolidated affiliates are entities in which an equity ownership interest is maintained and for which the equity method of accounting is used due to the ability to exert significant influence over decisions relating to their operating and financial affairs.

In January 2015, we completed the acquisition of Ally Financial's equity interest in SAIC-GMAC. See Note 2 - "Acquisition of Ally Financial International Operations" for additional information.

The income of SAIC-GMAC is not consolidated into our financial statements; rather, our proportionate share of the earnings is reflected as equity income. At December 31, 2015, we had undistributed earnings of $121 million related to SAIC-GMAC.

The following tables present summarized financial data of SAIC-GMAC[(a)] (in millions):

Summarized Balance Sheet Data	December 31, 2015
Finance receivables, net	$ 9,617
Total assets	$ 9,802
Debt	$ 5,789
Total liabilities	$ 7,973

Summarized Operating Data	Year Ended December 31, 2015	
Finance charge income	$	971
Provision for loan losses	$	45
Interest expense	$	338
Income before income taxes	$	463
Net income	$	347

____

(a) This data represents that of the entire entity and not our 35% proportionate share.

Note 8. Debt

Debt consists of the following (in millions):

	December 31, 2015			December 31, 2014		
	North America	International	Total	North America	International	Total
Secured debt						
Revolving credit facilities	$ 3,246	$ 4,302	$ 7,548	$ 1,701	$ 5,327	$ 7,028
Securitization notes payable	19,905	3,236	23,141	13,721	4,424	18,145
Total secured debt	$ 23,151	$ 7,538	$ 30,689	$ 15,422	$ 9,751	$ 25,173
Unsecured debt						
Senior notes	$ 17,731	$ 1,242	$ 18,973	$ 7,777	$ 598	$ 8,375
Credit facilities	—	2,759	2,759	—	2,974	2,974
Retail customer deposits	—	1,260	1,260	—	—	—
Other unsecured debt	—	665	665	—	793	793
Total unsecured debt	$ 17,731	$ 5,926	$ 23,657	$ 7,777	$ 4,365	$ 12,142

Secured Debt

Most of the secured debt was issued by variable interest entities, as further discussed in Note 9 - "Variable Interest Entities." This debt is repayable only from proceeds related to the underlying pledged finance receivables and leasing related assets.

Interest rates on the secured debt in the North America Segment are primarily fixed, with a weighted average of 1.63% at December 31, 2015. Interest rates on the secured debt in the International Segment are primarily floating, with a weighted average of 3.10% at December 31, 2015. Issuance costs on the secured debt of $76 million as of December 31, 2015 and $60 million as of December 31, 2014 are amortized to interest expense over the expected term of the secured debt.

The terms of our revolving credit facilities provide for a revolving period and subsequent amortization period, and are expected to be repaid over periods ranging up to six years. During 2015, we entered into new credit facilities or renewed credit facilities with a total additional net borrowing capacity of $5.2 billion.

Securitization notes payable at December 31, 2015 are due beginning in 2016 through 2023. In the year ended December 31, 2015 we issued securitization notes payable of $14.3 billion with a weighted-average interest rate of 1.5%.

Unsecured Debt

Senior Notes

At December 31, 2015, we had $19.1 billion par value outstanding in senior notes that mature from 2016 through 2025 and have a weighted average interest rate of 3.37%. Issuance costs on senior notes of $107 million as of December 31, 2015 and $75 million as of December 31, 2014 are amortized to interest expense over the term of the notes.

Our top-tier holding company has $17.2 billion par value outstanding in senior notes which may be redeemed, at our option, in whole or in part, at any time before maturity at the redemption prices set forth in the indentures that govern the senior notes, plus accrued and unpaid interest, to the redemption date. All of our senior notes are guaranteed solely by AmeriCredit Financial

Services, Inc. ("AFSI"); none of our other subsidiaries are guarantors of our senior notes. See Note 21 - "Guarantor Consolidating Financial Statements" for further discussion.

During 2015, our top-tier holding company issued $9.7 billion in senior notes comprised of $8.9 billion of fixed rate notes with a weighted average coupon of 3.38% and $800 million in floating rate notes. These notes mature beginning in April 2018 through July 2025. All of these notes are guaranteed by AFSI.

In February 2015, a European subsidiary issued €650 million of 0.85% notes under our Euro medium term notes program. These notes are due in February 2018. All of these notes are guaranteed by our top-tier holding company and by AFSI.

In May 2015, our primary Canadian operating subsidiary issued CAD$500 million of 3.08% notes due in May 2020. The notes are guaranteed by our top-tier holding company and by AFSI.

Credit Facilities and Other Unsecured Debt

The International Segment utilizes unsecured credit facilities with banks as well as non-bank instruments as funding sources. During 2015, we increased net borrowing capacity on unsecured committed credit facilities by $334 million.

The terms of advances under our unsecured credit facilities are determined and agreed to by us and the lender on the borrowing date for each advance and can have maturities up to five years. The weighted average interest rate on credit facilities and other unsecured debt was 8.72% at December 31, 2015.

Retail Customer Deposits

During 2015, we began accepting deposits from retail banking customers in Germany. Following is summarized information for our deposits at December 31, 2015 (dollars in millions):

	Outstanding Balance	Weighted Average Interest Rate
Overnight deposits	$ 555	1.00%
Term deposits -12 months	337	1.32%
Term deposits - 24 months	123	1.44%
Term deposits - 36 months	245	1.65%
Total deposits	$ 1,260	1.25%

Contractual Debt Obligations

The following table presents the expected scheduled principal and interest payments under our contractual debt obligations (in millions):

	Years Ending December 31,						
	2016	2017	2018	2019	2020	Thereafter	Total
Secured debt	$ 14,450	$ 9,168	$ 5,688	$ 1,120	$ 317	$ —	$ 30,743
Unsecured debt	4,343	3,654	3,459	3,165	4,110	5,050	23,781
Interest	1,275	1,008	588	397	267	483	4,018
	$ 20,068	$ 13,830	$ 9,735	$ 4,682	$ 4,694	$ 5,533	$ 58,542

Compliance with Debt Covenants

Several of our loan facilities, including our revolving credit facilities, require compliance with certain financial and operational covenants as well as regular reporting to lenders, including providing certain subsidiary financial statements. Some of our secured and unsecured debt agreements also contain various covenants, including maintaining portfolio performance ratios as well as limits on deferment levels. Failure to meet certain of these requirements may result in a covenant violation or an event of default depending on the terms of the agreement. An event of default may allow lenders to declare amounts outstanding under these agreements immediately due and payable, to enforce their interest against collateral pledge under these agreements or restrict our ability to obtain additional borrowings. At December 31, 2015, we were in compliance with these debt covenants.

Note 9. Variable Interest Entities

Securitizations and credit facilities

The following table summarizes the assets and liabilities related to our consolidated VIEs (in millions):

	December 31,			
	2015		2014	
Restricted cash	$	1,876	$	1,721
Finance receivables, net	$	24,942	$	23,109
Lease related assets	$	11,684	$	4,595
Secured debt	$	29,386	$	22,794

These amounts are related to securitization and credit facilities held by consolidated VIEs. Liabilities recognized as a result of consolidating these entities generally do not represent claims against us or our other subsidiaries and assets recognized generally are for the benefit of these entities operations and cannot be used to satisfy our or our subsidiaries obligations.

Other VIEs

We consolidate certain operating entities that provide auto finance and financial services, which we do not control through a majority voting interest. We manage these entities and maintain a controlling financial interest in them and are exposed to the risks of ownership through contractual arrangements. The majority voting interests in these entities are indirectly wholly-owned by our parent, GM.

The following table summarizes the assets and liabilities of these entities (in millions):

	December 31, 2015		December 31, 2014	
Assets[(a)]	$	3,652	$	3,696
Liabilities[(b)]	$	2,941	$	3,184

____

(a) *Comprised primarily of finance receivables of $3.2 billion and $3.6 billion at* December 31, 2015 and 2014.

(b) *Comprised primarily of debt of $2.6 billion and $2.5 billion at* December 31, 2015 and 2014.

The following table summarizes the revenue and net income of these entities (in millions):

	Year Ended December 31,			
	2015		2014	
Total revenue	$	191	$	192
Net income	$	29	$	28

Transfers of finance receivables to non-VIEs

Under certain debt agreements, we transfer finance receivables to entities which are not considered VIEs. These transfers do not meet the criteria to be considered sales; therefore, the finance receivables and the related debt are included in our consolidated financial statements, similar to the treatment of finance receivables and related debt of our consolidated VIEs. Any collections received on the transferred receivables are available only for the repayment of the related debt. At December 31, 2015 and 2014, $1.5 billion and $2.5 billion in finance receivables had been transferred in secured funding arrangements to third-party banks, to which $1.4 billion and $2.4 billion in secured debt was outstanding.

Note 10. Derivative Financial Instruments and Hedging Activities

Derivative financial instruments consist of the following (in millions):

	December 31, 2015		December 31, 2014	
	Notional	Fair Value	Notional	Fair Value
Fair value hedges				
Liabilities				
Interest rate swaps[a][d]	$ 1,000	$ 6	$ —	$ —
Derivatives not designated as hedges				
Assets				
Interest rate swaps[b]	4,122	8	1,652	6
Interest rate caps[a]	6,327	19	2,123	6
Foreign currency swaps[a]	1,460	48	1,594	4
Total assets[c]	$ 11,909	$ 75	$ 5,369	$ 16
Liabilities				
Interest rate swaps[b]	$ 8,041	$ 24	$ 5,627	$ 39
Interest rate caps[a]	5,892	19	1,804	6
Foreign currency swaps[a]	—	—	1,044	1
Total liabilities[d]	$ 13,933	$ 43	$ 8,475	$ 46

____

(a) The fair value is based on observable market inputs, and are classified as level 2.
(b) The fair value is estimated by discounting future net cash flows expected to be settled using current risk-adjusted rates, and classified as level 3.
(c) Included in other assets on the consolidated balance sheets.
(d) Included in other liabilities on the consolidated balance sheets.

The following table presents information on the effect of derivative instruments on the consolidated statements of income and comprehensive income (in millions):

	Income (Losses) Recognized In Income		
	Years Ended December 31,		
	2015	2014	2013
Fair value hedges			
Interest rate contracts			
Net interest accruals	$ 1	$ —	$ —
Ineffectiveness[a]	—	—	—
Derivatives not designated as hedges			
Interest rate contracts[b]	(15)	(51)	(1)
Foreign currency derivatives[c]	42	163	(118)
	$ 27	$ 112	$ (119)

(a) Hedge ineffectiveness reflects the net change in the fair value of interest rate contracts of $6.0 million offset by the change in fair value of hedged debt attributable to the hedged risk of $5.6 million.

(b) Recognized in earnings as interest expense.
(c) Activity is substantially offset by translation activity (included in operating expenses) related to foreign currency-denominated loans.

The activity for interest rate swap agreements measured at fair value on a recurring basis using significant unobservable inputs (Level 3) was insignificant for the years ended December 31, 2015, 2014 and 2013.

Note 11. Commitments and Contingencies

Leases

We lease space for our operating facilities and administrative offices under leases with terms up to 10 years with renewal options. Certain leases contain lease escalation clauses for real estate taxes and other operating expenses and renewal option clauses calling for increased rents.

A summary of lease expense is as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Lease expense	$ 28	$ 28	$ 21

Operating lease commitments are as follows (in millions):

	Years Ending December 31,						
	2016	2017	2018	2019	2020	Thereafter	Total
Operating lease commitments	$ 19	$ 19	$ 16	$ 14	$ 11	$ 38	$ 117

Concentrations of Credit Risk

Financial instruments which potentially subject us to concentrations of credit risk are primarily cash equivalents, restricted cash, derivative financial instruments and retail finance receivables. Our cash equivalents and restricted cash represent investments in highly rated securities placed through various major financial institutions. The counterparties to our derivative financial instruments are various major financial institutions.

Retail finance receivables in the North America Segment represent contracts with customers residing throughout the U.S. and Canada, with borrowers located in Texas accounting for 16.2% of the portfolio as of December 31, 2015. No other state accounted for more than 10% of retail finance receivables. Retail finance receivables in the International Segment represent contracts with customers residing throughout Europe and Latin America. Borrowers located in the U.K., Brazil, Germany and Mexico accounted for 28.6%, 21.4%, 20.6%, and 12.5% of the international retail finance receivables as of December 31, 2015. No other country accounted for more than 10% of retail finance receivables.

At December 31, 2015, substantially all of our commercial finance receivables represent loans to GM-franchised dealerships and their affiliates.

Guarantees of Indebtedness

The payments of principal and interest on senior notes issued by our top-tier holding company, our primary Canadian operating subsidiary and a European subsidiary are guaranteed by our primary U.S. operating subsidiary, AFSI. At December 31, 2015 and 2014, the par value of our senior notes was $19.1 billion and $8.4 billion. See Note 21 - "Guarantor Consolidating Financial Statements" for further discussion.

Legal Proceedings

As a retail finance company, we are subject to various customer claims and litigation seeking damages and statutory penalties, based upon, among other things, usury, disclosure inaccuracies, wrongful repossession, violations of bankruptcy stay provisions, certificate of title disputes, fraud, breach of contract and discriminatory treatment of credit applicants. Some litigation against us could take the form of class action complaints by customers and certain legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. We establish reserves for legal claims when payments associated with the claims become probable and the payments can be reasonably estimated. Given the inherent difficulty of predicting the outcome of litigation and regulatory matters, it is generally very difficult to predict what the eventual outcome will be, and when the matter will be resolved. The actual costs of resolving legal claims may be higher or lower than any amounts reserved for the claims. At December 31, 2015, we estimated our reasonably possible legal exposure for unfavorable outcomes of up to $101 million, and have accrued $43 million.

Other Administrative Tax Matters

We accrue non-income tax liabilities for contingencies when management believes that a loss is probable and the amounts can be reasonably estimated, while contingent gains are recognized only when realized. In the event any losses are sustained in excess of accruals, they will be charged against income at that time.

In evaluating indirect tax matters, we take into consideration factors such as our historical experience with matters of similar nature, specific facts and circumstances, and the likelihood of prevailing. We reevaluate and update our accruals as matters progress over time. Where there is a reasonable possibility that losses exceeding amounts already recognized may be incurred, our estimate of the additional range of loss is up to $50 million.

Note 12. Parent Company Stock-Based Compensation

GM provides certain stock-based compensation plans for employees and key executive officers.

Long-Term Incentive Plan

GM grants to certain employees Restricted Stock Units (“RSUs”), Performance-based Share Units (“PSUs”) and stock options. Shares awarded under the plans are subject to forfeiture if the participant leaves the company for reasons other than those permitted under the plans, such as retirement, death or disability. GM's policy is to issue new shares upon settlement of RSUs.

The following table summarizes the awards granted (units in thousands):

	Year Ended December 31,		
	2015	2014	2013
RSUs	317	431	700
PSUs	366	326	—
Stock options	786	—	—

The RSUs awarded either cliff vest or ratably vest over a three-year service period, as defined in the terms for each award. Vesting and subsequent settlement will generally occur based on employment at the end of each specified service period.

The ultimate number of PSUs earned will be determined at the end of the specified performance period, which is three years, based on performance criteria determined by the Executive Compensation Committee of the GM Board of Directors at the time of award. The number of shares earned may equal, exceed or be less than the targeted number of shares depending on whether the performance criteria are met, surpassed or not met. PSU awards generally vest and settle at the end of a three-year period.

Stock options were granted to senior leaders to maintain the leadership consistency needed to achieve our and GM's short-term and long-term goals. Each recipient was required to accept non-compete and non-solicitation covenants. These stock options have a vesting feature whereby two-fifths of the award is exercisable approximately nineteen months after the date of grant and the remainder vest ratably over the next three years based on the performance of GM’s stock relative to that of a specified peer group. The stock options expire ten years from the grant date.

Salary Stock Plan

In the year ended December 31, 2013 a portion of each participant's salary was accrued on each salary payment date and converted to RSUs on a quarterly basis. In June 2013 the plan was amended to provide for cash or share settlement of awards based on election by the participant. The liability for these awards continues to be remeasured to fair value at the end of each reporting period.

RSUs, PSUs and Stock Options

The following table summarizes information about RSU, PSUs and stock options granted to our employees and key executive officers under GM's stock-based compensation programs (units in thousands):

	Year Ended December 31, 2015		
	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)
Units outstanding at January 1, 2015	1,409	$ 32.75	1.5
Granted	1,469	$ 34.27	
Forfeited or expired	(17)	$ 36.04	
Settled	(559)	$ 28.99	
Units outstanding at December 31, 2015	2,302	$ 34.61	1.3
Units unvested and expected to vest at December 31, 2015	1,464	$ 35.40	1.4
Units vested and payable at December 31, 2015	778	$ 33.05	
Units granted in the year ended December 31, 2014		$ 35.96	
Units granted in the year ended December 31, 2013		$ 33.58	

The following table summarizes compensation expense recorded for stock-based incentive plans (in millions):

	Years Ended December 31,		
	2015	2014	2013
Compensation expense	$ 36	$ 19	$ 21
Income tax benefit	13	8	8
Compensation expense, net of tax	$ 23	$ 11	$ 13

At December 31, 2015 and 2014, total unrecognized compensation expense for nonvested equity awards granted was $53 million and $31 million. This expense is expected to be recorded over a weighted-average period of 1.4 years. The total fair value of RSUs and PSUs vested in the years ended December 31, 2015, 2014, and 2013 was $13 million, $9 million and $9 million for each year.

In the years ended December 31, 2015, 2014, and 2013, total payments for 254,000, 359,000 and 317,000 RSUs settled in cash under stock incentive plans were $9 million, $13 million and $10 million.

Note 13. Employee Benefit Plans

We have defined contribution retirement plans covering substantially all employees in the North America Segment as well as in Brazil and the U.K. We recognized $17 million, $12 million and $8 million in compensation expense for 2015, 2014 and 2013 related to these plans. Contributions to the plans were made in cash.

Certain employees in the International Segment are eligible to participate in plans that provide for pension payments upon retirement based on factors such as length of service and salary. The associated liability was $109 million and $115 million at December 31, 2015 and 2014. We recognized $6 million, $6 million and $5 million in net periodic pension expense in 2015, 2014 and 2013.

Note 14. Income Taxes

The following table summarizes income before income taxes and equity income (in millions):

	Years Ended December 31,		
	2015	2014	2013
U.S. income	$ 362	$ 481	$ 637
Non-U.S. income	359	334	246
Income before income taxes and equity income	$ 721	$ 815	$ 883

Income Tax Expense

The following table summarizes income tax expense (in millions):

	Years Ended December 31,		
	2015	2014	2013
Current income tax expense			
U.S. federal	$ 13	$ 284	$ 67
U.S. state and local	(5)	14	5
Non-U.S.	51	63	66
Total current	59	361	138
Deferred income tax expense			
U.S. federal	95	(87)	176
U.S. state and local	6	(5)	7
Non-U.S.	31	9	(4)
Total deferred	132	(83)	179
Total income tax provision	$ 191	$ 278	$ 317

Provisions are made for estimated U.S. and non-U.S. income taxes, less available tax credits and deductions, which may be incurred on the remittance of our basis differences in investments in foreign subsidiaries not deemed to be indefinitely reinvested. Taxes have not been provided on basis differences in investments as a result of earnings in foreign subsidiaries which are deemed indefinitely reinvested of $21 million and $26 million at December 31, 2015 and 2014. Quantification of the deferred tax liability, if any, associated with indefinitely reinvested basis differences is not practicable.

The following table summarizes a reconciliation of income tax expense (benefit) compared with the amounts at the U.S. federal statutory income tax rate:

	Years Ended December 31,		
	2015	2014	2013
U.S. statutory tax rate	35.0 %	35.0 %	35.0 %
Non-U.S. income taxed at other than 35%	(3.2)	(2.2)	(1.7)
State and local income taxes	0.9	1.2	1.1
U.S. tax on non-U.S. earnings	(3.2)	7.2	(1.7)
Valuation allowance	7.1	(4.9)	3.4
Tax credits and incentives	(6.6)	(0.8)	—
Other	(3.5)	(1.5)	(0.2)
Effective tax rate	26.5 %	34.0 %	35.9 %

Deferred Income Tax Assets and Liabilities

Deferred income tax assets and liabilities at December 31, 2015 and 2014 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the basis of such assets, liabilities and equity as measured by tax laws, as well as tax loss and tax credit carryforwards.

The following table summarizes the components of temporary differences and carryforwards that give rise to deferred tax assets and liabilities (in millions):

	December 31, 2015	December 31, 2014
Deferred tax assets:		
Net operating loss carryforward - U.S.[(a)]	$ 409	$ 6
Net operating loss carryforward - Non-U.S.[(b)]	189	199
Market value difference of loan portfolio	166	349
Accruals	107	157
Tax Credits[(c)]	131	2
Other	113	147
Total deferred tax assets before valuation allowance	1,115	860
Less: valuation allowance	(104)	(57)
Total deferred tax assets	1,011	803
Deferred tax liabilities:		
Depreciable assets	645	300
Intangible assets	34	35
Accrued commissions	27	41
Deferred acquisition costs/revenue	116	50
Tax on unremitted earnings of non-U.S. entities	47	—
Other	40	56
Total deferred tax liabilities	909	482
Net deferred tax asset	$ 102	$ 321

____

(a) *Includes tax-effected operating losses of $409 million expiring through 2036 at December 31, 2015.*

(b) *Includes tax-effected operating losses of $84 million expiring through 2032 and $105 million that may be carried forward indefinitely at December 31, 2015.*

(c) *Includes tax credits of $131 million expiring through 2036 at December 31, 2015.*

We are included in GM's consolidated U.S. federal income tax return and certain states' income tax returns. Net operating losses and certain tax credits generated by us have been utilized by GM; however, income tax expense and deferred tax balances are presented in these financial statements as if we filed our own tax returns in each jurisdiction. As of December 31, 2015, we have $50 million in valuation allowances against deferred tax assets in non-U.S. jurisdictions and $54 million in valuation allowances against deferred tax assets in U.S. jurisdictions. The increase in our valuation allowance is primarily related to a change in our assessment of the realization of certain U.S. tax credits.

Uncertain Tax Positions

The following table summarizes activity of unrecognized tax benefits (in millions):

	Years Ended December 31,		
	2015	2014	2013
Beginning balance	$ 95	$ 130	$ 53
International operations acquired amounts	—	—	71
Additions to prior years' tax positions	—	1	—
Reductions to prior years' tax positions	(7)	(12)	(1)
Additions to current year tax positions	1	7	12
Reductions in tax positions due to lapse of statutory limitations	(16)	(6)	(3)
Settlements	(2)	(20)	(1)
Foreign currency translation	(10)	(5)	(1)
Ending balance	$ 61	$ 95	$ 130

At December 31, 2015, 2014 and 2013, there were $35 million, $71 million and $104 million of net unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate.

We recognize accrued interest and penalties associated with uncertain tax positions as a component of the income tax provision. Accrued interest and penalties are included within the related tax liability line on the consolidated balance sheets.

During 2014 and 2013, we recorded income tax related interest expense (benefit) and penalties of $(12) million and $(7) million. The amount recorded in 2015 was insignificant. At December 31, 2015 and 2014 we had liabilities of $75 million and $125 million for income tax-related interest and penalties.

At December 31, 2015, we believe that it is reasonably possible that the balance of the gross unrecognized tax benefits could decrease by as much as $20 million in the next twelve months due to settlements or the expiration of statutes of limitations.

Periodically we make deposits to taxing jurisdictions which reduce our unrecognized tax benefit balance, but are not reflected in the reconciliation above. The amount of deposits that reduce our unrecognized tax benefit liability in the consolidated balance sheets was $12 million at December 31, 2015 and $22 million at December 31, 2014.

Other Matters

Since October 1, 2010, we have been included in GM's consolidated U.S. federal income tax returns. For taxable income we recognize in any period beginning on or after October 1, 2010, we are obligated to pay GM for our share of the consolidated U.S. federal and certain state tax liabilities. Amounts owed to GM for income taxes are accrued and recorded as a related party payable. Under our tax sharing arrangement with GM, payments related to our U.S. operations for the tax years 2010 through 2014 were deferred for four years from their original due date. During 2014, accrued tax payments of $296 million related to the 2010 and 2011 tax years were converted to and treated as capital contributions. At December 31, 2014, we had related party taxes payable to GM in the amount of $636 million. During 2015, the outstanding balance was converted to and treated as a capital contribution.

Income tax returns are filed in multiple jurisdictions and are subject to examination by taxing authorities throughout the world. We have open tax years from 2008 to 2015 with various tax jurisdictions. These open years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as they relate to the amount, character, timing or inclusion of revenue and/or recognition of expenses, or the sustainability of income tax credits. Certain of our state and foreign tax returns are currently under examination in various jurisdictions.

Note 15. Supplemental Cash Flow Information

Cash payments for interest costs and income taxes consist of the following (in millions):

	Years Ended December 31,		
	2015	2014	2013
Interest costs (none capitalized)	$ 1,295	$ 1,120	$ 760
Income taxes	$ 84	$ 127	$ 39

Non-cash investing items consist of the following (in millions):

	Years Ended December 31,		
	2015	2014	2013
Subvention receivable from GM	$ 383	$ 189	$ 82
Commercial loan funding payable to GM	$ 351	$ 427	$ 362

Note 16. Fair Values of Financial Instruments

Fair values are based on estimates using present value or other valuation techniques in cases where quoted market prices are not available. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments and those differences may be material. Disclosures about fair value of financial instruments exclude certain financial instruments and all non-financial instruments. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of our company.

Estimated fair values, carrying values and various methods and assumptions used in valuing our financial instruments are set forth below (in millions):

		December 31, 2015		December 31, 2014	
	Level	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets					
Cash and cash equivalents[(a)]	1	$ 3,061	$ 3,061	$ 2,974	$ 2,974
Retail finance receivables, net	3	$ 28,390	$ 28,545	$ 24,968	$ 25,541
Commercial finance receivables, net[(b)]	2	$ 8,392	$ 8,392	$ 8,032	$ 8,032
Restricted cash[(a)]	1	$ 1,941	$ 1,941	$ 2,071	$ 2,071
Financial liabilities					
Secured debt					
North America[(c)]	2	$ 23,151	$ 23,182	$ 15,454	$ 15,497
International[(d)]	2	$ 3,122	$ 3,125	$ 5,690	$ 5,694
International[(e)]	3	$ 4,416	$ 4,364	$ 4,070	$ 4,037
Unsecured debt					
North America[(f)]	2	$ 17,731	$ 17,792	$ 7,846	$ 8,092
International[(g)]	2	$ 4,605	$ 4,617	$ 3,496	$ 3,507
International[(e)]	3	$ 1,321	$ 1,317	$ 875	$ 880

____

(a) Cash and cash equivalents bear interest at market rates; therefore, carrying value is considered to be a reasonable estimate of fair value.

(b) The fair value commercial finance receivables is assumed to be carrying value, as the receivables generally have variable interest rates and maturities of one year or less.

(c) Secured debt in the North America Segment is comprised of revolving credit facilities, publicly-issued secured debt, and privately-issued secured debt, and is valued using level 2 inputs. For the revolving credit facilities with variable rates of interest and terms of one year or less, carrying value is considered to be a reasonable estimate of fair value. The fair value of the publicly-issued secured debt is based on quoted market prices of identical instruments in thinly-traded markets, when available. If quoted market prices are not available, and for determining the fair value of privately-issued secured debt, the market value is estimated using quoted market prices of similar securities.

(d) The fair value is assumed to be par value, as the debt has terms of one year or less, or has been priced within the last six months.

(e) The fair value is estimated by discounting future net cash flows expected to be settled using current risk-adjusted rates.

(f) The fair value is based on quoted market prices of identical instruments in thinly-traded markets.

(g) The fair value of senior notes is based on quoted market prices of identical instruments in thinly-traded markets. The fair value of other unsecured debt is assumed to be par value, as the debt has terms of one year or less.

The fair value of our retail finance receivables is based on observable and unobservable inputs within a discounted cash flow model. Those unobservable inputs reflect assumptions regarding expected prepayments, deferrals, delinquencies, recoveries and charge-offs of the loans within the portfolio. The cash flow model produces an estimated amortization schedule of the finance receivables which is the basis for the calculation of the series of cash flows that derive the fair value of the portfolio. For the North America Segment, the series of cash flows is calculated and discounted using a weighted-average cost of capital using unobservable debt and equity percentages, an unobservable cost of equity and an observable cost of debt based on companies with a similar credit rating and maturity profile. For the International Segment, the series of cash flows is calculated and discounted using current interest rates. Macroeconomic factors could affect the credit performance of our portfolio and therefore could potentially impact the assumptions used in our cash flow model.

Note 17. Segment Reporting and Geographic Information

Segments

We offer substantially similar products and services throughout many different regions, subject to local regulations and market conditions. We evaluate our business in two operating segments: the North America Segment (consisting of operations in the U.S. and Canada) and the International Segment (consisting of operations in all other countries). Our chief operating decision maker evaluates the operating results and performance of our business based on these operating segments. The management of each segment is responsible for executing our strategies.

For segment reporting purposes only, interest expense related to the senior notes has been allocated based on targeted leverage for each segment. Interest expense in excess of the targeted overall leverage is reflected in the "Corporate" column below. In addition, the interest income on intercompany loans provided to the international operations is presented in the "Corporate" column as revenue.

All inter-segment balances and transactions have been eliminated. Key operating data for our operating segments were as follows (in millions):

	Year Ended December 31, 2015				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 4,777	$ 1,677	$ 13	$ (13)	$ 6,454
Operating expenses, including leased vehicle expenses	2,925	568	—	—	3,493
Provision for loan losses	466	158	—	—	624
Interest expense	833	722	74	(13)	1,616
Equity income	—	116	—	—	116
Income (loss) before income taxes	$ 553	$ 345	$ (61)	$ —	$ 837

	Year Ended December 31, 2014				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 2,909	$ 1,945	$ 56	$ (56)	$ 4,854
Operating expenses, including leased vehicle expenses	1,385	624	—	—	2,009
Provision for loan losses	472	132	—	—	604
Interest expense	459	954	69	(56)	1,426
Income (loss) before income taxes	$ 593	$ 235	$ (13)	$ —	$ 815

	Year Ended December 31, 2013				
	North America	International	Corporate	Eliminations	Total
Total revenue	$ 2,376	$ 968	$ 43	$ (43)	$ 3,344
Operating expenses, including leased vehicle expenses	893	330	—	—	1,223
Provision for loan losses	393	82	—	—	475
Interest expense	360	362	42	(43)	721
Acquisition and integration expenses	—	42	—	—	42
Income before income taxes	$ 730	$ 152	$ 1	$ —	$ 883

	December 31, 2015			December 31, 2014		
	North America	International	Total	North America	International	Total
Finance receivables, net	$ 21,558	$ 15,223	$ 36,781	$ 15,943	$ 17,057	$ 33,000
Leased vehicles, net	$ 20,086	$ 86	$ 20,172	$ 7,029	$ 31	$ 7,060
Total assets	$ 47,419	$ 18,485	$ 65,904	$ 27,586	$ 20,022	$ 47,608

Geographic Information

The following table summarizes information concerning principal geographic areas (in millions):

	At and For the Years Ended December 31,					
	2015		2014		2013	
	Revenue	Long-Lived Assets[a]	Revenue	Long-Lived Assets[a]	Revenue	Long-Lived Assets[a]
U.S.	$ 4,324	$ 18,501	$ 2,552	$ 5,477	$ 2,185	$ 2,472
Canada	453	1,731	357	1,635	204	965
Brazil	757	3	964	4	234	4
Other countries[b]	920	156	981	116	721	74
Total consolidated	$ 6,454	$ 20,391	$ 4,854	$ 7,232	$ 3,344	$ 3,515

____

(a) Long-lived assets includes $20.2 billion, $7.1 billion and $3.4 billion of vehicles on operating leases at December 2015, 2014 and 2013.
(b) No individual country represents more than 10% of our total revenue or long-lived assets.

Note 18. Accumulated Other Comprehensive (Loss) Income

A summary of changes in accumulated other comprehensive (loss) income is as follows (in millions):

	Years Ended December 31,		
	2015	2014	2013
Defined benefit plans, net			
Balance at beginning of period	$ (11)	$ 3	$ —
Unrealized (loss) gain on subsidiary pension, net of tax	(2)	(14)	3
Balance at end of period	(13)	(11)	3
Foreign currency translation adjustment			
Balance at beginning of period	(422)	8	(3)
Translation (loss) gain	(669)	(430)	11
Balance at end of period	(1,091)	(422)	8
Total accumulated other comprehensive (loss) income	$ (1,104)	$ (433)	$ 11

Note 19. Regulatory Capital and Other Regulatory Matters

We are required to comply with a wide variety of laws and regulations. The International Segment includes the operations of certain stand-alone entities that operate in local markets as either banks or regulated finance companies and are subject to regulatory restrictions. These regulatory restrictions, among other things, require that these entities meet certain minimum capital requirements and may restrict dividend distributions and ownership of certain assets. We were in compliance with all regulatory capital requirements as most recently reported. The following table lists the most recently reported minimum statutory capital requirements and the actual statutory capital for our significant regulated international banks:

Country	Minimum Capital Requirement	Actual Capital
Germany	8.0%	18.1%
Brazil	11.0%	13.4%

Total assets of our regulated international banks and finance companies were approximately $11.1 billion and $11.4 billion at December 31, 2015 and 2014.

Note 20. Quarterly Financial Data (unaudited)

The following tables summarize supplementary quarterly financial information (in millions):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2015				
Total revenue	$ 1,354	$ 1,515	$ 1,707	$ 1,878
Income before income taxes	$ 214	$ 225	$ 231	$ 167
Net income	$ 150	$ 186	$ 179	$ 131
Year Ended December 31, 2014				
Total revenue	$ 1,097	$ 1,191	$ 1,261	$ 1,305
Income before income taxes	$ 222	$ 265	$ 208	$ 120
Net income	$ 145	$ 175	$ 158	$ 59

Note 21. Guarantor Consolidating Financial Statements

The payment of principal and interest on senior notes issued by our top-tier holding company is currently guaranteed solely by AFSI (the "Guarantor") and none of our other subsidiaries (the "Non-Guarantor Subsidiaries"). The Guarantor is a 100% owned consolidated subsidiary and is unconditionally liable for the obligations represented by the senior notes. The Guarantor's guarantee may be released only upon customary circumstances, the terms of which vary by issuance. Customary circumstances include the sale or disposition of all of the Guarantor's assets or capital stock, the achievement of investment grade rating of the senior notes and legal or covenant defeasance.

The consolidating financial statements present consolidating financial data for (i) General Motors Financial Company, Inc. (on a parent-only basis), (ii) the Guarantor, (iii) the combined Non-Guarantor Subsidiaries and (iv) the parent company and our subsidiaries on a consolidated basis at December 31, 2015 and December 31, 2014 and for the years ended December 31, 2015, 2014 and 2013 (after the elimination of intercompany balances and transactions).

Investments in subsidiaries are accounted for by the parent company using the equity method for purposes of this presentation. Results of operations of subsidiaries are therefore reflected in the parent company's investment accounts and earnings. The principal elimination entries set forth below eliminate investments in subsidiaries and intercompany balances and transactions.

We determined that a revision was required to correct the classification of certain intercompany amounts between General Motors Financial Company Inc. and Guarantor and Non-Guarantor Subsidiaries that were previously being presented net within the change in the due from/due to affiliates line item in the consolidating balance sheet in the financing activities section of the consolidating statements of cash flows for the years ended December 31, 2014 and 2013. As a result, correcting adjustments have been made from what was previously reported to (1) reclassify $3.1 billion and $1.5 billion of the net change in the due from affiliates for General Motors Financial Company, Inc. within the consolidating statements of cash flows to the investing activities section for 2014 and 2013, respectively; (2) reclassify $443 million and $159 million of the net change in the due from affiliates for the Guarantor within the consolidating statements of cash flows to the investing activities section for 2014 and 2013, respectively; (3) reclassify $400 million of the net change of the due to affiliates for the Non-Guarantor subsidiaries within the consolidated statement of cash flow to the investing activities section for 2014; and (4) report a $2.0 billion due from affiliates for the Guarantor within the consolidating balance sheet at December 31, 2014 that was previously presented net within the due to affiliates line. In addition, reclassifications have been made solely within the investing activities section of the consolidating statements of cash flows to separately present cash flow activities related to repurchases by the Guarantor of receivables that had previously been transferred to Non-Guarantor Subsidiaries of $1.4 billion and $1.0 billion for 2014 and 2013, respectively. These adjustments had no effect on the consolidated financial statements at or for the years ended December 31, 2014 or 2013.

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2015
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ —	$ 2,259	$ 802	$ —	$ 3,061
Finance receivables, net	—	4,808	31,973	—	36,781
Leased vehicles, net	—	—	20,172	—	20,172
Restricted cash	—	60	1,881	—	1,941
Goodwill	1,095	—	94	—	1,189
Equity in net assets of non-consolidated affiliates	—	—	986	—	986
Property and equipment, net	—	41	178	—	219
Deferred income taxes	212	—	179	(160)	231
Related party receivables	—	27	546	—	573
Other assets	32	32	687	—	751
Due from affiliates	15,573	7,556	—	(23,129)	—
Investment in affiliates	8,476	6,425	—	(14,901)	—
Total assets	$ 25,388	$ 21,208	$ 57,498	$ (38,190)	$ 65,904
Liabilities and Shareholder's Equity					
Liabilities					
Secured debt	$ —	$ —	$ 30,689	$ —	$ 30,689
Unsecured debt	17,087	—	6,570	—	23,657
Accounts payable and accrued expenses	181	717	320	—	1,218
Deferred income	—	—	1,454	—	1,454
Deferred income taxes	—	289	—	(160)	129
Related party payable	—	—	362	—	362
Other liabilities	68	34	241	—	343
Due to affiliates	—	15,495	7,634	(23,129)	—
Total liabilities	17,336	16,535	47,270	(23,289)	57,852
Shareholder's equity					
Common stock	—	—	698	(698)	—
Additional paid-in capital	6,484	79	6,490	(6,569)	6,484
Accumulated other comprehensive loss	(1,104)	(175)	(1,095)	1,270	(1,104)
Retained earnings	2,672	4,769	4,135	(8,904)	2,672
Total shareholder's equity	8,052	4,673	10,228	(14,901)	8,052
Total liabilities and shareholder's equity	$ 25,388	$ 21,208	$ 57,498	$ (38,190)	$ 65,904

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING BALANCE SHEET
December 31, 2014
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ —	$ 2,266	$ 708	$ —	$ 2,974
Finance receivables, net	—	2,401	30,599	—	33,000
Leased vehicles, net	—	—	7,060	—	7,060
Restricted cash	—	17	2,054	—	2,071
Goodwill	1,095	—	149	—	1,244
Property and equipment, net	—	23	149	—	172
Deferred income taxes	28	—	601	(288)	341
Related party receivables	—	11	373	—	384
Other assets	29	18	315	—	362
Due from affiliates	6,787	1,965	400	(9,152)	—
Investment in affiliates	7,684	4,059	—	(11,743)	—
Total assets	$ 15,623	$ 10,760	$ 42,408	$ (21,183)	$ 47,608
Liabilities and Shareholder's Equity					
Liabilities					
Secured debt	$ —	$ —	$ 25,173	$ —	$ 25,173
Unsecured debt	7,435	—	4,707	—	12,142
Accounts payable and accrued expenses	78	156	768	—	1,002
Deferred income	—	—	392	—	392
Deferred income taxes	—	288	20	(288)	20
Related party taxes payable	636	—	—	—	636
Related party payable	—	—	433	—	433
Other liabilities	82	12	324	—	418
Due to affiliates	—	6,129	3,023	(9,152)	—
Total liabilities	8,231	6,585	34,840	(9,440)	40,216
Shareholder's equity					
Common stock	—	—	690	(690)	—
Additional paid-in capital	5,799	79	4,064	(4,143)	5,799
Accumulated other comprehensive loss	(433)	(64)	(410)	474	(433)
Retained earnings	2,026	4,160	3,224	(7,384)	2,026
Total shareholder's equity	7,392	4,175	7,568	(11,743)	7,392
Total liabilities and shareholder's equity	$ 15,623	$ 10,760	$ 42,408	$ (21,183)	$ 47,608

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2015
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 403	$ 2,978	$ —	$ 3,381
Leased vehicle income	—	—	2,807	—	2,807
Other income	13	505	139	(391)	266
Total revenue	13	908	5,924	(391)	6,454
Costs and expenses					
Salaries and benefits	—	332	394	—	726
Other operating expenses	64	105	649	(251)	567
Total operating expenses	64	437	1,043	(251)	1,293
Leased vehicle expenses	—	—	2,200	—	2,200
Provision for loan losses	—	398	226	—	624
Interest expense	488	18	1,250	(140)	1,616
Total costs and expenses	552	853	4,719	(391)	5,733
Equity income	941	579	116	(1,520)	116
Income before income taxes	402	634	1,321	(1,520)	837
Income tax (benefit) provision	(244)	25	410	—	191
Net income	$ 646	$ 609	$ 911	$ (1,520)	$ 646
Comprehensive (loss) income	$ (25)	$ 498	$ 225	$ (723)	$ (25)

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2014
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 194	$ 3,281	$ —	$ 3,475
Leased vehicle income	—	—	1,090	—	1,090
Other income	68	432	178	(389)	289
Total revenue	68	626	4,549	(389)	4,854
Costs and expenses					
Salaries and benefits	—	249	365	—	614
Other operating expenses	159	(17)	657	(251)	548
Total operating expenses	159	232	1,022	(251)	1,162
Leased vehicle expenses	—	—	847	—	847
Provision for loan losses	—	334	270	—	604
Interest expense	232	23	1,309	(138)	1,426
Total costs and expenses	391	589	3,448	(389)	4,039
Equity income	757	523	—	(1,280)	—
Income before income taxes	434	560	1,101	(1,280)	815
Income tax (benefit) provision	(103)	12	369	—	278
Net income	$ 537	$ 548	$ 732	$ (1,280)	$ 537
Comprehensive income	$ 93	$ 491	$ 298	$ (789)	$ 93

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF INCOME
Year Ended December 31, 2013
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Revenue					
Finance charge income	$ —	$ 140	$ 2,423	$ —	$ 2,563
Leased vehicle income	—	—	595	—	595
Other income	56	433	105	(408)	186
Total revenue	56	573	3,123	(408)	3,344
Costs and expenses					
Salaries and benefits	—	216	232	—	448
Other operating expenses	(100)	228	441	(247)	322
Total operating expenses	(100)	444	673	(247)	770
Leased vehicle expenses	—	—	453	—	453
Provision for loan losses	—	239	236	—	475
Interest expense	180	37	665	(161)	721
Acquisition and integration expenses	—	—	42	—	42
Total costs and expenses	80	720	2,069	(408)	2,461
Equity income	584	551	—	(1,135)	—
Income before income taxes	560	404	1,054	(1,135)	883
Income tax (benefit) provision	(6)	(42)	365	—	317
Net income	$ 566	$ 446	$ 689	$ (1,135)	$ 566
Comprehensive income	$ 580	$ 449	$ 700	$ (1,149)	$ 580

Table of Contents

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2015
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 646	$ 609	$ 911	$ (1,520)	$ 646
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	28	3	2,372	—	2,403
Accretion and amortization of loan and leasing fees	—	25	(634)	—	(609)
Amortization of carrying value adjustment	—	(14)	(135)	—	(149)
Equity in income of affiliates	(941)	(579)	(116)	1,520	(116)
Provision for loan losses	—	398	226	—	624
Deferred income taxes	(189)	2	319	—	132
Stock-based compensation expense	33	—	3	—	36
Other	32	(5)	(64)	—	(37)
Changes in assets and liabilities:					
Other assets	(3)	25	(126)	—	(104)
Accounts payable and accrued expenses	100	531	(349)	—	282
Taxes payable	(12)	1	(9)	—	(20)
Related party taxes payable	(636)	—	—	—	(636)
Related party payables	1	—	(14)	—	(13)
Net cash (used in) provided by operating activities	(941)	996	2,384	—	2,439
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(13,997)	(16,981)	13,461	(17,517)
Principal collections and recoveries on retail finance receivables	—	755	10,971	—	11,726
Proceeds from transfer of retail finance receivables, net	—	10,428	3,033	(13,461)	—
Net funding of commercial finance receivables	—	6	(1,023)	—	(1,017)
Purchases of leased vehicles, net	—	—	(15,337)	—	(15,337)
Proceeds from termination of leased vehicles	—	—	1,096	—	1,096
Acquisition of international operations	(513)	(536)	—	—	(1,049)
Disposition of equity interest	—	125	—	—	125
Purchases of property and equipment	—	(21)	(69)	—	(90)
Change in restricted cash	—	(43)	(221)	—	(264)
Change in other assets	—	—	30	—	30
Net change in due from affiliates	(8,819)	(5,593)	—	14,412	—
Net change in investment in affiliates	(6)	(1,893)	—	1,899	—
Net cash used in investing activities	(9,338)	(10,769)	(18,501)	16,311	(22,297)
Cash flows from financing activities					
Net change in debt (original maturities less than three months)	—	—	1,147	—	1,147
Borrowings and issuance of secured debt	—	—	22,385	—	22,385
Payments on secured debt	—	—	(15,178)	—	(15,178)
Borrowings and issuance of unsecured debt	9,687	—	3,290	—	12,977
Payments on unsecured debt	—	—	(1,709)	—	(1,709)
Net capital contributions	649	—	1,899	(1,899)	649
Debt issuance costs	(58)	—	(97)	—	(155)
Other	1	—	—	—	1
Net change in due to affiliates	—	9,766	4,646	(14,412)	—
Net cash provided by financing activities	10,279	9,766	16,383	(16,311)	20,117
Net increase (decrease) in cash and cash equivalents	—	(7)	266	—	259
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	(172)	—	(172)
Cash and cash equivalents at beginning of period	—	2,266	708	—	2,974

Cash and cash equivalents at end of period	$ —	$ 2,259	$ 802	$ —	$ 3,061

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2014

(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 537	$ 548	$ 732	$ (1,280)	$ 537
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	14	2	976	—	992
Accretion and amortization of loan and leasing fees	—	4	(367)	—	(363)
Amortization of carrying value adjustment	—	(4)	(230)	—	(234)
Equity in income of affiliates	(757)	(523)	—	1,280	—
Provision for loan losses	—	334	270	—	604
Deferred income taxes	1	127	(211)	—	(83)
Stock-based compensation expense	18	—	1	—	19
Other	137	(2)	47	—	182
Changes in assets and liabilities:					
Other assets	(18)	(14)	(56)	—	(88)
Accounts payable and accrued expenses	36	(25)	122	—	133
Taxes payable	(3)	—	(60)	—	(63)
Related party taxes payable	(7)	—	—	—	(7)
Related party payable	—	—	5	—	5
Net cash (used in) provided by operating activities	(42)	447	1,229	—	1,634
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(8,220)	(14,321)	7,792	(14,749)
Principal collections and recoveries on retail finance receivables	—	(99)	10,959	—	10,860
Proceeds from transfer of retail finance receivables, net	—	6,369	1,423	(7,792)	—
Net funding of commercial finance receivables	—	(128)	(1,770)	—	(1,898)
Purchases of leased vehicles, net	—	—	(4,882)	—	(4,882)
Proceeds from termination of leased vehicles	—	—	533	—	533
Acquisition of international operations	(46)	—	—	—	(46)
Purchases of property and equipment	—	(20)	(32)	—	(52)
Change in restricted cash	—	3	(235)	—	(232)
Change in other assets	—	—	(2)	—	(2)
Net change in due from affiliates	(3,149)	(443)	(400)	3,992	—
Net change in investment in affiliates	(357)	(27)	—	384	—
Net cash used in investing activities	(3,552)	(2,565)	(8,727)	4,376	(10,468)
Cash flows from financing activities					
Net change in debt (original maturities less than three months)	—	—	470	—	470
Borrowings and issuance of secured debt	—	—	21,080	—	21,080
Payments on secured debt	—	—	(16,890)	—	(16,890)
Borrowings and issuance of unsecured debt	3,500	—	3,674	—	7,174
Payments on unsecured debt	—	—	(1,889)	—	(1,889)
Net capital contributions	996	—	382	(382)	996
Debt issuance costs	(39)	—	(88)	—	(127)
Net change in due to affiliates	(863)	3,989	866	(3,992)	—
Net cash provided by financing activities	3,594	3,989	7,605	(4,374)	10,814
Net increase (decrease) in cash and cash equivalents	—	1,871	107	2	1,980
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	(78)	(2)	(80)
Cash and cash equivalents at beginning of period	—	395	679	—	1,074
Cash and cash equivalents at end of period	$ —	$ 2,266	$ 708	$ —	$ 2,974

GENERAL MOTORS FINANCIAL COMPANY, INC.
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended December 31, 2013
(in millions)

	General Motors Financial Company, Inc.	Guarantor	Non-Guarantors	Eliminations	Consolidated
Cash flows from operating activities					
Net income	$ 566	$ 446	$ 689	$ (1,135)	$ 566
Adjustments to reconcile net income to net cash (used in) provided by operating activities					
Depreciation and amortization	8	2	535	—	545
Accretion and amortization of loan and leasing fees	—	2	(90)	—	(88)
Amortization of carrying value adjustment	—	(2)	(92)	—	(94)
Equity in income of affiliates	(584)	(551)	—	1,135	—
Provision for loan losses	—	239	236	—	475
Deferred income taxes	9	133	37	—	179
Stock-based compensation expense	9	—	—	—	9
Other	(118)	—	(49)	—	(167)
Changes in assets and liabilities					
Other assets	(71)	22	(78)	—	(127)
Accounts payable and accrued expenses	73	34	88	—	195
Taxes payable	(6)	(5)	31	—	20
Related party taxes payable	84	—	—	—	84
Related party payable	—	—	(39)	—	(39)
Net cash (used in) provided by operating activities	(30)	320	1,268	—	1,558
Cash flows from investing activities					
Purchases of retail finance receivables, net	—	(6,119)	(11,360)	7,906	(9,573)
Principal collections and recoveries on retail finance receivables	—	(124)	7,648	—	7,524
Proceeds from transfer of retail finance receivables, net	—	6,921	985	(7,906)	—
Net funding of commercial finance receivables	—	39	(1,351)	46	(1,266)
Purchases of leased vehicles, net	—	—	(2,262)	—	(2,262)
Proceeds from termination of leased vehicles	—	—	217	—	217
Acquisition of international operations	(3,222)	—	607	—	(2,615)
Purchases of property and equipment	—	(3)	(13)	—	(16)
Change in restricted cash	—	(16)	(251)	—	(267)
Change in other assets	—	—	3	—	3
Net change in due from affiliates	(1,531)	(1,022)	—	2,553	—
Net change in investment in affiliates	(29)	(818)	—	847	—
Net cash used in investing activities	(4,782)	(1,142)	(5,777)	3,446	(8,255)
Cash flows from financing activities					
Borrowings and issuance of secured debt	—	—	17,378	—	17,378
Payments on secured debt	—	—	(13,222)	—	(13,222)
Borrowings and issuance of unsecured debt	2,500	—	2,724	—	5,224
Payments on unsecured debt	—	—	(2,699)	—	(2,699)
Borrowings on related party line of credit	1,100	—	—	—	1,100
Payments on related party line of credit	(1,100)	—	—	—	(1,100)
Repayment of debt to Ally Financial	—	—	(1,416)	—	(1,416)
Net capital contribution	1,478	—	672	(850)	1,300
Debt issuance costs	(30)	—	(46)	—	(76)
Other	1	—	1	—	2
Net change in due to affiliates	863	(35)	1,771	(2,599)	—
Net cash provided by (used in) financing activities	4,812	(35)	5,163	(3,449)	6,491
Net increase (decrease) in cash and cash equivalents	—	(857)	654	(3)	(206)
Effect of foreign exchange rate changes on cash and cash equivalents	—	—	(12)	3	(9)

Cash and cash equivalents at beginning of period	—	1,252	37	—	1,289
Cash and cash equivalents at end of period	$ —	$ 395	$ 679	$ —	$ 1,074

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

We had no disagreements on accounting or financial disclosure matters with our independent accountants to report under this Item 9.

Item 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer ("CEO") and principal financial officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) at December 31, 2015. Based on this evaluation, required by paragraph (b) of Rule 13a-15 and or 15d-15, our CEO and CFO concluded that our disclosure controls and procedures were effective at December 31, 2015.

Management's Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, misstatements due to error or fraud may not be prevented or detected on a timely basis.

Our management performed an assessment of the effectiveness of our internal control over financial reporting at December 31, 2015, utilizing the criteria discussed in the “Internal Control - Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at December 31, 2015. Based on management's assessment, we have concluded that our internal control over financial reporting was effective at December 31, 2015.

Changes in Internal Control Over Financial Reporting

There were no changes made to our internal control over financial reporting during the quarter ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations Inherent in all Controls

Our management, including the CEO and CFO, recognize that the disclosure controls and internal controls (discussed above) cannot prevent all errors or all attempts at fraud. Any controls system, no matter how well crafted and operated, can only provide reasonable, and not absolute, assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in any control system, no evaluation or implementation of a control system can provide complete assurance that all control issues and all possible instances of fraud have been or will be detected.

PART III

ITEM 10. ***DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE***

Omitted in accordance with General Instruction I to Form 10-K.

ITEM 11. ***EXECUTIVE AND DIRECTOR COMPENSATION***

Omitted in accordance with General Instruction I to Form 10-K.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT***

Omitted in accordance with General Instruction I to Form 10-K.

ITEM 13. ***CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE***

Omitted in accordance with General Instruction I to Form 10-K.

ITEM 14. ***PRINCIPAL ACCOUNTING FEES AND SERVICES***

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Deloitte & Touche LLP			
Audit Fees[a]	$ 6	$ 6	$ 6
Audit Related Fees[b]	3	5	4
Total Fees	$ 9	$ 11	$ 10

____

(a) *Audit Fees include the annual financial statement audit (including quarterly reviews, subsidiary audits and other procedures required to be performed by the independent registered public accounting firm to be able to form an opinion on our consolidated financial statements).*

(b) *Audit-Related Fees are assurance and related services that are reasonably related to the performance of the audit or review of our financial statements or that are traditionally performed by the independent registered public accounting firm. Audit-Related Fees include, among other things, agreed-upon procedures and other services pertaining to our securitization program and other warehouse credit facility reviews; the attestations required by the requirements of Regulation AB; and accounting consultations related to accounting, financial reporting or disclosure matters not classified as "Audit Fees."*

Fees for tax services including tax compliance and related advice were $178,000, $168,000 and $75,000 for 2015, 2014 and 2013.

As a wholly-owned subsidiary of General Motors Company, audit and non-audit services provided by our independent auditor are subject to General Motors Company's Audit Committee pre-approval policies and procedures. The Audit Committee pre-approved all services provided by, and all fees of, our independent auditor.

PART IV

ITEM 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES***

(1) The following Consolidated Financial Statements as set forth in Item 8 of this report are filed herein.

Consolidated Financial Statements:

Consolidated Balance Sheets as of December 31, 2015 and 2014.

Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2015, 2014 and 2013.

Consolidated Statements of Shareholder's Equity for the years ended December 31, 2015, 2014 and 2013.

Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013.

Notes to Consolidated Financial Statements

(2) All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are either not required under the related instructions, are inapplicable, or the required information is included elsewhere in the Consolidated Financial Statements and incorporated herein by reference.

(3) The exhibits filed in response to Item 601 of Regulation S-K are listed in the Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 3, 2016.

GENERAL MOTORS FINANCIAL COMPANY, INC.

BY: /s/ DANIEL E. BERCE

Daniel E. Berce

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ DANIEL E. BERCE Daniel E. Berce	Director, President and Chief Executive Officer (Principal Executive Officer)	February 3, 2016
/s/ CHRIS A. CHOATE Chris A. Choate	Executive Vice President and Chief Financial Officer	February 3, 2016
/s/ CONNIE COFFEY Connie Coffey	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 3, 2016
/s/ DANIEL AMMANN Daniel Ammann	Director	February 3, 2016
/s/ CHARLES K. STEVENS III Charles K. Stevens III	Director	February 3, 2016

INDEX TO EXHIBITS

The following documents are filed as a part of this report. Those exhibits previously filed and incorporated herein by reference are identified by the exhibit numbers used in the report with which they were filed. Documents filed with this report are identified by the symbol "@."

Exhibit No.	Description	
2.1	Agreement and Plan of Merger, dated July 21, 2010, among General Motors Holdings LLC, Goalie Texas Holdco Inc. and AmeriCredit Corp., incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed on July 26, 2010.	Incorporated by Reference
3.1	Articles of Incorporation of the Company, filed May 18, 1988, and Articles of Amendment to Articles of Incorporation, incorporated herein by reference to Exhibit 3.1 to Registration Statement No. 33-31220 on Form S-1 filed on August 24, 1988.	Incorporated by Reference
3.2	Amendment to Articles of Incorporation, filed October 18, 1989, incorporated herein by reference to Exhibit 3.2 to the Registration Statement No. 33-41203 on Form S-8 filed by the Company with the Securities and Exchange Commission.	Incorporated by Reference
3.3	Articles of Amendment to Articles of Incorporation, incorporated herein by reference herein to Exhibit 3.3 of the Quarterly Report on Form 10-Q for the quarter ended December 31, 1992, filed with the Securities and Exchange Commission.	Incorporated by Reference
3.4	Amended & Restated Bylaws of the Company, incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed on February 3, 2010.	Incorporated by Reference
3.5	Amended and Restated Certificate of Formation of General Motors Financial Company, Inc. (formerly known as AmeriCredit Corp.), incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed on October 1, 2010.	Incorporated by Reference
4.1	Certificate of Merger merging Goalie Texas Holdco Inc. with and into AmeriCredit Corp., incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on October 1, 2010.	Incorporated by Reference
4.2	Indenture, dated June 1, 2011, between General Motors Financial Company, Inc. and Deutsche Bank Trust Company Americas, concerning GM Financial's $500 million 6.75% Senior Notes due 2018, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on June 3, 2011.	Incorporated by Reference
4.3	Indenture, dated August 16, 2012, between General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., the guarantor, and Wells Fargo Bank, N.A., as trustee, concerning GM Financial's $1 billion 4.75% Senior Noted due 2017, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on August 16, 2012	Incorporated by Reference
4.4	Indenture, dated May 14, 2013, between General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., the guarantor, and Wells Fargo Bank, N.A., as trustee, concerning GM Financial's $1 billion 2.75% Senior Noted due 2016, $750 million 3.25% Senior Notes due 2018 and $750 million 4.25% Senior Notes due 2013, incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on May 14, 2013.	Incorporated by Reference
4.5	Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference
4.5.1	First Supplemental Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.625% Senior Notes due 2017, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference
4.5.2	Second Supplemental Indenture, dated July 10, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.500% Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on July 10, 2014.	Incorporated by Reference

4.5.3	Third Supplemental Indenture, dated September 25, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.000% Senior Notes due 2017, incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on September 25, 2014.	Incorporated by Reference
4.5.3.1	First Amendment to Third Supplemental Indenture, dated October 17, 2014, incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q, filed on October 23, 2014.	Incorporated by Reference
4.5.4	Fourth Supplemental Indenture, dated September 25, 2014, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.375% Senior Notes due 2021, incorporated herein by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on September 25, 2014.	Incorporated by Reference
4.5.4.1	First Amendment to Fourth Supplemental Indenture, dated October 17, 2014, incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q, filed on October 23, 2014.	Incorporated by Reference
4.6	Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.1	First Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.2	Second Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.150% Senior Notes due 2020, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.3	Third Supplemental Indenture, dated January 12, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.000% Senior Notes due 2025, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on January 13, 2015.	Incorporated by Reference
4.6.4	Fourth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2018, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.5	Fifth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 2.400% Senior Notes due 2018, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.6	Sixth Supplemental Indenture, dated April 10, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.450% Senior Notes due 2022, incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K, filed on April 13, 2015.	Incorporated by Reference
4.6.7	Seventh Supplemental Indenture, dated July 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.200% Senior Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on July 13, 2015.	Incorporated by Reference
4.6.8	Eighth Supplemental Indenture, dated July 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 4.300% Senior Notes due 2025, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on July 13, 2015.	Incorporated by Reference

INDEX TO EXHIBITS
(CONTINUED)

4.7	Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.1	First Supplemental Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.100% Senior Notes due 2019, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.2	Second Supplemental Indenture, dated October 13, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the Floating Rate Senior Notes due 2019, incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K, filed on October 13, 2015.	Incorporated by Reference
4.7.3	Third Supplemental Indenture, dated November 24, 2015, by and among General Motors Financial Company, Inc., AmeriCredit Financial Services, Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, with respect to the 3.700% Senior Notes due 2020, incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K, filed on November 24, 2015.	Incorporated by Reference
10.1	Sale and Servicing Agreement, dated as of February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.1 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.1	Indenture, dated February 26, 2010, among AmeriCredit Syndicated warehouse Trust, Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.2 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.2	Note Purchase Agreement, dated February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated by reference herein to Exhibit 99.3 to the Current Report on Form 8-K, filed on March 2, 2010.	Incorporated by Reference
10.1.3	First Supplemental Indenture, dated August 20, 2010, between AmeriCredit Syndicated Warehouse Trust and Wells Fargo Bank, N A, incorporated herein by reference to Exhibit 10.11.3 to the Annual Report on Form 10-K filed on August 27, 2010.	Incorporated by Reference
10.1.4	Amendment No. 1, dated August 20, 2010, to Sale and Servicing Agreement, dated February 26, 2010, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG New York Branch and Wells Fargo Bank, NA, incorporated herein by reference to Exhibit 10.11.4 to the Annual Report on Form 10-K filed on August 27, 2010.	Incorporated by Reference
10.1.5	Omnibus Amendment to the Sale and Servicing Agreement, the Indenture and Note Purchase Agreement, dated February 17, 2011, among AmeriCredit Syndicated Warehouse Trust, AmeriCredit Funding Corp. XI, AmeriCredit Financial Services, Inc., Deutsche Bank AG, New York Branch, and Wells Fargo Bank, National Association, incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on February 22, 2011.	Incorporated by Reference
10.1.6	Fourth Omnibus Amendment to the Sale and Servicing Agreement, the Indenture, the Custodian Agreement and the Note Purchase Agreement, dated May 10, 2012, among AmeriCredit Syndicated Warehouse Trust, as Issuer, AmeriCredit Funding Corp. XI, as a Seller, AmeriCredit Financial Services, Inc., as a Seller and as Servicer, Deutsche Bank AG, New York Branch, as Administrative Agent, Wells Fargo Bank, National Association, as Trustee, Backup Servicer and Trust Collateral Agent, the Purchasers that are party to the Note Purchase Agreement and the Agents that are party to the Note Purchase Agreement, , incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on May 11, 2012.	Incorporated by Reference
10.2	2011-A Servicing Supplement, dated January 31, 2011, among ACAR Leasing Ltd., AmeriCredit Financial services, Inc., APGO Trust and Wells Fargo Bank, National Association, incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on February 4, 2011.	Incorporated by Reference

10.2.1	Indenture, dated January 31, 2011, among GMF Leasing Warehouse Trust, Wells Fargo Bank, National Association, AmeriCredit Financial services, Inc., Deutsche Bank AG, New York Branch, and JPMorgan Chase Bank, N.A., incorporated herein by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed on February 4, 2011.	Incorporated by Reference
10.2.3	Second Omnibus Amendment to the Credit and Security Agreement, the 2011-A Exchange Note Supplement, the Indenture, the Note Purchase Agreement, the Amended and Restated Servicing Agreement and the 2011-A Servicing Supplement, dated January 30, 2012, by and among GMF Leasing Warehouse Trust, as Issuer, AmeriCredit Financial Services, Inc., ACAR Leasing Ltd., as Titling Trust, GMF Leasing LLC, as Seller, APGO Trust, as Settlor, Deutsche Bank AG, New York Branch, as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the DB Purchaser Group, JPMorgan Chase Bank, N.A., as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the JPM Purchaser Group, and Wells Fargo Bank, National Association, as Administrative Agent (under the 2011-A Exchange Note Supplement and the Credit and Security Agreement), Collateral Agent, Indenture Trustee and 2011-A Exchange Noteholder, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on February 3, 2012.	Incorporated by Reference
10.2.4	Third Omnibus Amendment to the Credit and Security Agreement, the 2011-A Exchange Note Supplement, the Indenture, the Note Purchase Agreement and the 2011-A Servicing Supplement, dated January 25, 2013, by and among GMF Leasing Warehouse Trust, as Issuer, AmeriCredit Financial Services, Inc., ACAR Leasing Ltd., as Titling Trust, GMF Leasing LLC, as Seller, APGO Trust, as Settlor, Deutsche Bank AG, New York Branch, as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the DB Purchaser Group, JPMorgan Chase Bank, N.A., as an Administrative Agent (under the Note Purchase Agreement) and as Agent for the JPM Purchaser Group, and Wells Fargo Bank, National Association, as Administrative Agent (under the 2011-A Exchange Note Supplement), Collateral Agent, Indenture Trustee and 2011-A Exchange Noteholder, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on January 31, 2013.	Incorporated by Reference
10.3	2011-A Servicing Supplement, dated July 15, 2011, among GM Financial Canada Leasing Ltd., FinanciaLinx Corporation, GMF Canada Leasing Trust, Deutsche Bank AG, Canada Branch, and BMO Nesbitt Burns Inc., incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.1	Series 2011-A Indenture Supplement, dated July 15, 2011, among ComputerShare Trust Company of Canada, BNY trust Company of Canada, Deutsche Bank AG, Canada Branch and BMO Nesbitt Burns Inc., incorporated herein by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.2	Note Purchase Agreement, dated July 15, 2011, among GMF Canada Leasing Trust, FinanciaLinx Corporation, GM Financial Canada Leasing Ltd., Deutsche Bank AG, Canada Branch, BMO Nesbitt Burns Inc. and BNY Trust Company of Canada, incorporated herein by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed on July 21, 2011.	Incorporated by Reference
10.3.3	First Omnibus Amendment to the 2011-A Borrower Note Supplement, the Note Purchase Agreement, the Servicing Agreement and the 2011-A Servicing Supplement, dated as of July 13, 2012, by and among Computershare Trust Company of Canada in its capacity as trustee of GMF Canada Leasing Trust, as Issuer, GM Financial Canada Leasing Ltd., as Borrower, FinanciaLinx Corporation, individually and in its capacity as Servicer, Deutsche Bank AG, Canada Branch, as an Administrative Agent, BMO Nesbitt Burns Inc., as an Administrative Agent, BNY Trust Company of Canada, as Indenture Trustee, the Purchasers identified on the signature pages thereto, AmeriCredit Financial Services, Inc., as Performance Guarantor, and the Agents identified on the signature pages thereto, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on July 19, 2012.	Incorporated by Reference
10.4	Note Purchase Agreement, dated as of January 10, 2012, among GM Financial Automobile Receivables Trust 2012-PP1, as Issuer, AFS SenSub Corp., as Seller, AmeriCredit Financial Services, Inc., as Servicer and as Custodian, Azalea Asset Management, Inc., as Note Purchaser, and Wells Fargo Bank, National Association, as Trustee, incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K, filed on January 23, 2012.	Incorporated by Reference
10.4.1	Indenture, dated as of January 4, 2012, between GM Financial Automobile Receivables Trust 2012-PP1, as Issuer, and Wells Fargo Bank, National Association, as Trustee and Trust Collateral Agent, incorporated herein by reference to Exhibit 99.2 to the Current Report on Form 8-K, filed on January 23, 2012.	Incorporated by Reference

INDEX TO EXHIBITS
(CONTINUED)

10.4.2	Purchase Agreement, dated as of January 4, 2012, between AFS SenSub Corp., as Purchaser, and AmeriCredit Financial Services, Inc., as Seller, incorporated herein by reference to Exhibit 99.3 to the Current Report on Form 8-K, filed on January 23, 2012.	Incorporated by Reference
10.4.3	Sale and Servicing Agreement, dated as of January 4, 2012, among GM Financial Automobile Receivables Trust 2012-PP1, as Issuer, AFS SenSub Corp., as Seller, AmeriCredit Financial Services, Inc., as Servicer, and Wells Fargo Bank, National Association, as Backup Servicer and Trust Collateral Agent, incorporated herein by reference to Exhibit 99.4 to the Current Report on Form 8-K, filed on January 23, 2012.	Incorporated by Reference
10.5	Amended and Restated Three Year Revolving Credit Agreement, dated as of October 17, 2014, among General Motors Company, General Motors Financial Company, Inc., GM Europe Treasury Company AB, General Motors do Brasil Ltda., the other subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, Banco do Brasil S.A., as administrative agent for the Brazilian lenders, and Citibank, N.A., as syndication agent incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on October 22, 2014.	Incorporated by Reference
10.6	Purchase and Sale Agreement, dated as of November 21, 2012, among Ally Financial Inc., General Motors Financial Company, Inc. and General Motors Company, incorporated herein by reference to Exhibit 10.10 to the Annual Report on Form 10-K, filed on February 15, 2013.	Incorporated by Reference
10.7	Share Transfer Agreement, dated as of November 21, 2012, between Ally Financial Inc. and General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q, filed on May 2, 2013.	Incorporated by Reference
10.8	Share and Interest Purchase Agreement, dated as of December 19, 2013, between General Motors Financial Company, Inc. and GM Europe Service GmbH, incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K, filed on February 6, 2014.	Incorporated by Reference
10.9	Support Agreement, dated as of September 4, 2014, between General Motors Company and General Motors Financial Company, Inc., incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed on September 4, 2014.	Incorporated by Reference
10.10	Amended and Restated Five Year Revolving Credit Agreement, dated as of October 17, 2014, among General Motors Company, General Motors Financial Company, Inc., General Motors do Brasil Ltda., the other subsidiary borrowers from time to time parties thereto, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, Banco do Brasil S.A., as administrative agent for the Brazilian lenders, and Citibank, N.A., as syndication agent, incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed on October 22, 2014.	Incorporated by Reference
12.1	Computation of Ratio of Earnings to Fixed Charges	@
23.1	Consent of Independent Registered Public Accounting Firm	@
31.1	Officers' Certifications of Periodic Report pursuant to Section 302 of Sarbanes-Oxley Act of 2002	@
32.1	Officers' Certifications of Periodic Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002	@
101.INS*	XBRL Instance Document	
101.SCH*	XBRL Taxonomy Extension Schema Document	
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document	
101.PRE*	XBRL Taxonomy Presentation Linkbase Document	

* Submitted electronically with this Report in accordance with the provisions of Regulation S-T.

Exhibit 12.1

GENERAL MOTORS FINANCIAL COMPANY, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(dollars in millions)

	Years Ended December 31,				
	2015	**2014**	**2013**	**2012**	**2011**
COMPUTATION OF EARNINGS:					
Income before income taxes and equity income	$ 721	$ 815	$ 883	$ 744	$ 622
Fixed charges	1,609	1,402	724	319	275
	$ 2,330	$ 2,217	$ 1,607	$ 1,063	$ 897
COMPUTATION OF FIXED CHARGES:					
Fixed charges:[(a)]					
Interest expense[(b)]	$ 1,600	$ 1,393	$ 717	$ 315	$ 271
Implicit interest in rent	9	9	7	4	4
	$ 1,609	$ 1,402	$ 724	$ 319	$ 275
RATIO OF EARNINGS TO FIXED CHARGES	1.4X	1.6X	2.2X	3.3X	3.3X

____

(a) For purposes of such computation, the term "fixed charges" represents interest expense, including amortization of debt issuance costs, and a portion of rentals representative of an implicit interest factor for such rentals.

(b) For 2015, 2014, 2013, 2012 and 2011 interest expense excludes $(16) million, $(33) million, $(4) million, $32 million and $67 million of purchase accounting adjustments.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-206678 on Form S-3 of our report dated February 3, 2016, relating to the consolidated financial statements of General Motors Financial Company, Inc. and subsidiaries appearing in this Annual Report on Form 10-K of General Motors Financial Company, Inc. for the year ended December 31, 2015.

/s/Deloitte & Touche LLP
Fort Worth, Texas
February 3, 2016

CERTIFICATIONS

Exhibit 31.1

I, Daniel E. Berce, certify that:

(1) I have reviewed the Annual Report on Form 10-K of General Motors Financial Company, Inc. (the "Company") for the year ended December 31, 2015 (this "report");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have: (i) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (ii) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (iii) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (iv) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the Company's auditors and to the Audit Committee of the Company's Board of Directors (or persons performing equivalent functions): (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: February 3, 2016

/s/ Daniel E. Berce

Daniel E. Berce
President and Chief Executive Officer

I, Chris A. Choate, certify that:

(1) I have reviewed the Annual Report on Form 10-K of General Motors Financial Company, Inc. (the "Company") for the year ended December 31, 2015 (this "report");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and we have: (i) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (ii) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (iii) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (iv) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the Company's auditors and to the Audit Committee of the Company's Board of Directors (or persons performing equivalent functions): (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Dated: February 3, 2016

/s/ Chris A. Choate

Chris A. Choate
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 906
OF SARBANES-OXLEY ACT OF 2002

I, Daniel E. Berce, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 3, 2016

/s/ Daniel E. Berce

Daniel E. Berce
President and Chief Executive Officer

CERTIFICATION OF PERIODIC REPORT PURSUANT TO SECTION 906 OF SARBANES-OXLEY ACT OF 2002

I, Chris A. Choate, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 3, 2016

/s/ Chris A. Choate

Chris A. Choate

Executive Vice President and Chief Financial Officer

Principales diferencias entre los criterios contables establecidos por las autoridades financieras mexicanas y los principios de contabilidad generalmente aceptados en los Estados Unidos de América aplicables para GMF Inc.

Las Sociedades Financieras de Objeto Múltiple en México son reguladas en cuanto a sus criterios y principios contables por las siguientes disposiciones:

a) La Ley General de Organizaciones y Actividades Auxiliares del Crédito (LGOAAC)
b) La Ley de Instituciones de Crédito
c) Ley de Mercado de Valores
d) Las Disposiciones de carácter general aplicables a las emisoras de valores y a otros participantes del mercado de valores (Circular Única de Emisoras)
e) Las Disposiciones de carácter general aplicables a las instituciones de crédito (Circular Única de Bancos)
f) Las Disposiciones de carácter general aplicables a los almacenes generales de depósito, casas de cambio, uniones de crédito y sociedades financieras de objeto múltiple reguladas (CUIFE)
g) Normas de Información financiera emitidas por el CINIF supletoriamente

Los Criterios Contables dictados por las regulaciones locales difieren de los principios de contabilidad generalmente aceptados en los Estados Unidos de América ("U.S. GAAP") en diversos puntos y criterios, sin embargo consideramos que dentro de los que aplican para GMF Inc. los más importantes son los siguientes:

I. Reconocimiento de los efectos de inflación
II. Reserva para riesgos crediticios
III. Reconocimiento de pasivo contingente
IV. Costos por emisión de deuda
V. Reconocimiento de ingresos
VI. Crédito mercantil
VII. Reconocimiento de posiciones fiscales inciertas
VIII. Compensación basada en acciones
IX. Consolidación
X. Valor razonable

I. Reconocimiento de los efectos de inflación

U.S. GAAP

Los principios contables aplicables en los Estados Unidos establecen como principio básico el costo histórico. Los efectos de Inflación no se registran en los estados financieros excepto en casos cuando una entidad de reporte opere en un entorno económico altamente inflacionario. Bajo los principios de contabilidad generalmente aceptados en los Estados Unidos de América (U.S. GAAP), una economía es considerada como altamente inflacionaria cuando la tasa de inflación acumulada de los últimos tres años excede el 100%.

Criterios contables establecidos para instituciones financieras en México

Al 1ero de enero de 2008, las Compañías en México suspendieron el reconocimiento de los efectos de la inflación en los estados financieros debido a un entorno económico no inflacionario, sin embargo, los activos y pasivos no monetarios y el capital contable incluyen los efectos de re expresión reconocidos hasta el 31 de diciembre de 2007.

A la fecha señalada en el párrafo anterior, las Compañías en México solo reconocen los efectos de inflación en los estados financieros cuando el entorno económico califica como inflacionario. Un entorno económico inflacionario ocurre cuando la inflación acumulada de los últimos tres años es igual o mayor al 26%.

II. Reserva para Riesgos Crediticios

U.S. GAAP

La reserva para préstamos y arrendamientos se basa en la estimación de la probable pérdida inherente a los préstamos y cartera de la compañía tanto comerciales como de consumo.

La evaluación y medida del deterioro de los préstamos y arrendamientos financieros ocurre a través de una de los dos siguientes metodologías establecidas:

1. Reservas específicas establecidas para préstamos y arrendamientos financieros específicos evaluados como en deterioro, o
2. Reservas para carteras las cuáles son establecidas para grupos grandes de préstamos y arrendamientos financieros con saldos de pequeños y homogéneos los cuales son evaluados colectivamente para su deterioro.

Los préstamos y arrendamientos financieros que no son parte de un grupo grande de préstamos y arrendamientos financieros homogéneos son evaluados bajo la metodología de reserva específica. Los préstamos y arrendamientos financieros que nos son considerados en deterioro bajo la metodología de reserva específica así como bajo préstamos y arrendamientos financieros homogéneos están sujetos al cálculo para reserva a nivel de cartera.

La reserva deberá ser establecida cuando es probable que los préstamos de la cartera se han deteriorado y el importe de la pérdida pueda ser razonablemente estimado. Una acumulación de pérdida es inicialmente reconocida en los estados financieros durante el período en el cual el evento de pérdida que dio lugar al deterioro ocurre y solamente por el monto del deterioro que ha ocurrido a la fecha del balance general.

El deterioro a nivel de cartera puede ser basado en estadísticas históricas, tales como período de recuperación promedio y promedio de monto recuperado, junto con una tasa de interés efectiva como medio de medición del deterioro de dichos préstamos.

El deterioro de un préstamo en especifico puede ser medido en base al valor actual de los flujos de efectivo futuros esperados descontados a la tasa de interés efectiva del préstamo. Como recurso práctico, un acreedor puede medir el deterioro en base al precio de mercado observable de un préstamo, o al valor razonable de la garantía si el préstamos es un préstamo que depende de una garantía.

La descripción antes mencionada se basa en los principios de contabilidad generalmente aceptados en los Estados Unidos de América (U.S. GAAP) que se incluyen dentro de las normas ASC 310-10 “Cuentas por Cobrar- En general,” ASC 450-10-25 “Contingencias- En general” y ASC 942-10 “Servicios Financieros - Depósitos y Préstamos- En general,” entre otras.

Criterios contables establecidos para instituciones financieras en México

La reserva para pérdidas crediticias para SOFOMES E.N.R. Emisoras se realiza de acuerdo a los lineamientos establecidos por la Comisión para SOFOMES Reguladas la cual establece la metodología para la calificación de cartera crediticia para la constitución de reserva. La Comisión utiliza modelos de pérdida esperada los cuales contemplan el riesgo crediticio colectivo y datos de pérdida esperada de las instituciones de préstamos Mexicanas. La reserva para la cartera de préstamos comerciales y de consumo se determina de la siguiente manera:

Reserva de cartera consumo - Las reservas de la cartera de consumo no revolvente, se determinan evaluando la probabilidad de incumplimiento, la severidad de la pérdida y la exposición al incumplimiento, crédito por crédito, considerando los datos históricos de dicha cartera.

La probabilidad de incumplimiento se determina de acuerdo al número de atrasos que tenga el cliente; si tiene menos de cuatro mensualidades de atraso la probabilidad de incumplimiento se determinara con el promedio del porcentaje que representa el pago realizado respecto al monto exigible en los últimos cuatro periodos de facturación y si tiene 4 atrasos o más la probabilidad de incumplimiento será del 100%.

Del mismo modo, la severidad de perdida será del 65% si el atraso del cliente es menor a 10 mensualidades y de 100% si el atraso es de 10 ó más mensualidades.

Reserva de cartera comercial - La reserva de la cartera comercial se determina en base al artículo 110 de la Circular Única de Bancos (CUB). Al 2014, para la determinación de la calificación de cartera, se debe de considerar la probabilidad de incumplimiento, severidad de la pérdida y exposición al incumplimiento.

Las reservas de la cartera comercial se determinan mediante la evaluación del puntaje crediticio total para créditos a cargo de Personas Morales y Personas Físicas con Actividad Empresarial, haciendo la separación de aquellos con ingresos netos o ventas netas anuales menores al equivalente en moneda nacional a 14 millones de Unidades de Inversión (UDIS) de conformidad con los anexos mencionados.

De estos puntajes se obtiene la probabilidad de incumplimiento, en el caso de créditos que se encuentren en cartera vencida la probabilidad de incumplimiento será del 100% y la severidad de perdida será del 45%.
El porcentaje requerido de la reserva para pérdidas en la cartera de préstamos se determina en función del grado de riesgo asignado.

III. Reconocimiento de Pasivo Contingente

U.S. GAAP

Cuando existe una contingencia de perdida, la evaluación debe ser realizada en cuanto a la probabilidad de que el evento o eventos futuros ocurran confirmando la pérdida.

Se establecen 3 categorías de probabilidad con respecto a la ocurrencia de una pérdida:

- Remota: La posibilidad de que el evento o eventos futuros ocurran es poco probable.
- Razonablemente posible: La posibilidad de que el evento o eventos futuros ocurran es más que remota pero menos que probable.
- Probable: El evento o los eventos futuros son probable que ocurran.

El registro de la pérdida por contingencia es registrada solamente cuando la probabilidad de una confirmación de un evento es designada como "Probable" y el monto de la pérdida puede ser razonablemente estimado. La descripción antes mencionada se basa en los principios contables US GAAP FASB ASC 450-10-25 "Contingencias- En general".

Criterios contables establecidos para instituciones financieras en México

El reconocimiento de un pasivo contingente se efectúa en base al Boletín C-9 de Pasivos, Provisiones, Activos y Pasivos Contingentes, en el cual se señala que se debe considerar como una obligación presente si el suceso ocurrido en el pasado ha producido o no el nacimiento de dicha obligación y en caso de duda de la ocurrencia o no ocurrencia de ciertos sucesos, la entidad procederá a determinar la existencia de la obligación presente, teniendo en cuenta toda la evidencia posible, entre los que se incluirá la opinión de expertos y, en base a esa evidencia, lo siguiente:

- Si la obligación es probable se reconocerá el pasivo siempre que la probabilidad de la existencia de la obligación a la fecha del balance sea mayor que la probabilidad de la inexistencia y se pueda obtener un cálculo fiable del monto de la obligación,
- Se revelará la obligación si la obligación presente es posible, esto siempre y cuando la obligación presente sea menor que la probabilidad que no exista y no habrá necesidad de revelación en el caso de que sea remota la probabilidad de salida de recursos.

IV. Costos por Emisión de Deuda

U.S. GAAP

La norma ASU 2015-03 requiere que los costos por emisión de deuda asociados con deuda no revolvente sean presentados como una reducción al saldo principal de la deuda, con aplicación retrospectiva.

Criterios contables establecidos para instituciones financieras en México

Los costos por emisión de deuda son presentados de acuerdo al Anexo 33 de la CUB Criterio A-2 Aplicación de Normas Específicas que menciona que en el caso de pagos anticipados se aplicará la Norma de Información Financiera C-5 Pagos Anticipados y se reconocerá como un pago anticipado en el rubro de Otros Activos.

V. Reconocimiento de Ingresos

U.S. GAAP

El ingreso por cargo financiero relacionado a cuentas por cobrar de financiamiento es reconocido utilizando el método de interés efectivo. Las comisiones y cargos recibidos y los costos directos de originación de préstamos son generalmente diferidos y amortizados durante el término de las cuentas por cobrar de financiamiento relacionadas utilizando el método de interés efectivo y son eliminados del balance general consolidado cuando las cuentas por cobrar de financiamiento relacionadas son vendidas, canceladas o liquidadas. La provisión de ingresos por cargos financieros es suspendida en las cuentas que tienen 60 días o más de morosidad, cuentas en bancarrota y cuentas adjudicadas. Los pagos recibidos para préstamos en suspenso son aplicados primero a cualquier recargo que se deba, luego se aplican a cualquier interés pendiente de pago, y finalmente, cualquier monto restante recibido es aplicado al saldo principal. La provisión de intereses continúa una vez que una cuenta ha recibido pagos que regresan su estatus de morosidad a menos de 60 días.

El ingreso por cargo financiero relacionado a cuentas por cobrar de financiamiento comercial es reconocido utilizando el método de acumulación. La acumulación de ingreso por cargos financieros es generalmente suspendida en las cuentas que tienen 90 días o más de morosidad, una vez que se recibe una notificación de bancarrota por parte del acreditado, o cuando existe duda razonable sobre la recuperación total del saldo principal e intereses acordados en el contrato. Los pagos recibidos para préstamos en mora son aplicados primero al saldo principal. La provisión de intereses continua una vez que una cuenta ha recibido pagos que la clasifican al corriente y que el cobro del saldo principal e intereses acordados en el contrato es razonable (incluyendo montos previamente cancelados) o, cuando se trata de reestructuraciones de deuda en problemas, cuando el pago es razonablemente asegurado con base a los términos modificados del préstamo.

Los ingresos por arrendamientos operativos en vehículos arrendados son reconocidos por medio del método de línea recta durante el periodo del arrendamiento. Los cargos o costos netos diferidos por originación son amortizados en línea recta durante el periodo del contrato de arrendamiento.

Criterios contables establecidos para instituciones financieras en México

Se deberá suspender la acumulación de los intereses devengados de las operaciones crediticias, en el momento en que el saldo insoluto del crédito sea considerado como vencido, entendiéndose como vencido lo siguiente:

1. Se tenga conocimiento de que el acreditado es declarado en concurso mercantil, conforme a la Ley de Concursos Mercantiles, o
2. Sus amortizaciones no hayan sido liquidadas en su totalidad en los términos pactados originalmente, considerando al efecto lo siguiente:
   a) Si los adeudos consisten en créditos con pago único de principal e intereses al vencimiento y presentan 30 o más días naturales de vencidos;
   b) Si los adeudos se refieren a créditos con pago único de principal al vencimiento y con pagos periódicos de intereses y los respectivos pagos de los intereses presentan 90 ó más días naturales de vencimiento, y el saldo principal presenta 30 ó más días naturales de vencimiento;
   c) Si los adeudos consisten en créditos con pagos periódicos parciales de principal e intereses, incluyendo los préstamos hipotecarios y presentan 90 ó más días naturales de vencimiento;
   d) Si los adeudos consisten en créditos revolventes y presentan dos periodos mensuales de facturación vencidos o, en caso de que el periodo de facturación sea distinto al mensual, el correspondiente a 60 ó más días naturales de vencidos, y
   e) Los documentos de cobro inmediato a que se refiere el criterio B-1 “Fondos Disponibles”, serán reportados como cartera vencida al momento en el cual se presente dicho evento.

3. Cualquier amortización que no haya sido liquidada en su totalidad en los términos pactados originalmente y presenten 90 ó más días de vencimiento y los créditos otorgados a personas físicas destinados a la remodelación o mejoramiento de la vivienda sin propósito de especulación comercial que estén respaldados por el ahorro de la subcuenta de vivienda del acreditado. *(No aplica a GM Financial de México SA de CV SOFOM E.R., sin embargo es parte de la redacción de la normatividad aplicable a otras entidades SOFOMs).*

Asimismo, se deberá suspender la amortización en resultados del ejercicio de los ingresos financieros por devengar, así como del importe correspondiente a la opción de compra de los créditos por operaciones de arrendamiento capitalizable, en el momento en que el saldo insoluto del crédito sea considerado como vencido..

A los créditos que contractualmente capitalizan intereses al monto del adeudo, les será aplicable la suspensión de acumulación de intereses establecida en el párrafo anterior.

En tanto el crédito se mantenga en cartera vencida, el control de los intereses o ingresos financieros devengados se llevará en cuentas de orden. En caso de que dichos intereses o ingresos financieros vencidos sean cobrados, se reconocerán directamente en los resultados del ejercicio en el rubro de ingresos por intereses, cancelando en el caso de arrendamiento capitalizable o en operaciones de factoraje financiero el crédito diferido correspondiente.

VI. Crédito Mercantil

U.S. GAAP

No se permite cancelar los deterioros reconocidos de crédito mercantil.

Criterios contables establecidos para instituciones financieras en México

Bajo ciertas circunstancias es permitido cancelar deterioros reconocidos de crédito mercantil.

VII. Reconocimiento de posiciones fiscales inciertas

U.S. GAAP

Se contabilizan las posiciones fiscales inciertas con base a un proceso de dos pasos en donde: (1) se determina si es más probable que no que las posiciones fiscales sean sostenidas en base a los méritos técnicos de la posición; y (2) para aquellas posiciones fiscales que cumplen con el probable reconocimiento, se reconoce el monto más alto de beneficio fiscal que sea mayor al 50% de probabilidad de que se materialice basado en la última negociación con la autoridad tributaria correspondiente.

Se reconocen intereses y multas sobre posiciones fiscales inciertas en la cuenta de impuesto sobre la renta.

Criterios contables establecidos para instituciones financieras en México

Se aplicará la metodología indicada en el punto III. Reconocimiento de Pasivo Contingente para su reconocimiento contable.

VIII. Compensación basada en acciones

U.S. GAAP

Los premios de compensación en acciones emitidas por una subsidiaria a empleados de la subsidiaria que son liquidados del capital de la compañía matriz deben ser clasificados como premios de capital en los estados financieros independientes de la subsidiaria. De la misma forma, la subsidiaria registra el gasto por compensación por concepto de los premios de compensación en acciones de la compañía matriz en base al valor razonable de los premios sobre el período de devengamiento aplicable al premio.

Criterios contables establecidos para instituciones financieras en México

Los premios de compensación en acciones otorgados por una subsidiaria a empleados de la subsidiaria y liquidados en acciones de la compañía matriz son clasificados como premios pasivos en los estados financieros independientes de la subsidiaria.

IX. Consolidación

U.S. GAAP

Bajo los principios de contabilidad generalmente aceptados en los Estados Unidos de América ("U.S. GAAP"), existen dos modelos diferentes para determinar si la consolidación es apropiada. Si una entidad de reporte cuenta con participación en otra entidad que satisface la definición de una Entidad de Participación Variable (VIE), el modelo de una VIE debe ser aplicado. Bajo este modelo, la consolidación está basada en poder y economía - esto es, qué accionista tiene (1) el poder de dirigir las actividades de la VIE que más afecten de manera considerable el desempeño económico de la VIE y (2) la obligación de absorber las pérdidas o el derecho a recibir beneficios de la VIE que pudieran ser potencialmente considerables para la VIE. Sin embargo, si una entidad de reporte cuenta con participación en otra entidad que no es considerada como una Entidad de Participación Variable (VIE) o que no se encuentra dentro del ámbito del modelo de una VIE, el modelo de participaciones con derecho de voto deberá aplicarse. Bajo este modelo, la consolidación está basada en si la entidad de reporte mantiene una participación financiera de control en la entidad.

Bajo el modelo de participaciones con derecho de voto, no se le requiere a la entidad tomar en cuenta potenciales derechos de voto al determinar si hay o no control; más bien, dichos potenciales derechos de voto pudieran indicar la existencia de control. El modelo de las VIE no aborda específicamente el impacto de los potenciales derechos de voto en la determinación de qué parte cuenta con el poder para dirigir las actividades más importantes de una entidad.

Criterios contables establecidos para instituciones financieras en México

La consolidación bajo los estándares mexicanos se basa en el concepto de control. Los tres elementos de control son los siguientes:

- Poder sobre la sociedad participada
- Exposición, o derecho, a ganancias variables de la participación en la sociedad participada; y
- La habilidad de utilizar poder sobre la sociedad participada para tener un efecto sobre el monto de las ganancias del inversionista.

Un inversionista debe poseer los tres elementos para concluir que controla a una sociedad participada. El modelo de consolidación aplica a todas las entidades.

Una entidad debe considerar la existencia y el efecto de potenciales derechos de voto que son actualmente ejecutables al determinar si existe o no control.

X. Valor Razonable

U.S. GAAP

Bajo los principios de contabilidad generalmente aceptados en los Estados Unidos de América ("U.S. GAAP"), una de las características que definen al valor razonable es que se asume que es el precio de salida. El precio de salida se define como el precio que será recibido o pagado por la entidad de reporte "en una operación ordenada entre participantes de mercado para vender un activo o transferir un pasivo a la fecha de la medición." El riesgo crediticio de la contraparte y el riesgo crediticio de la propia entidad son considerados en las mediciones de valor razonable de ciertos instrumentos financieros.

Criterios contables establecidos para instituciones financieras en México

El valor razonable se define como el monto que un participante de mercado interesado e informado estaría dispuesto a pagar por la compra o venta de un activo o el monto que estaría dispuesto a asumir o liquidar un pasivo en un mercado libre. Esta definición puede considerar ya sea un precio de entrada o salida. Se les requiere a las entidades usar las mediciones de valor razonable proporcionadas por un proveedor de precios autorizado por la Comisión. Dichas mediciones generalmente no toman en cuenta el riesgo crediticio de la contraparte o de la propia entidad.

8-K 1 d353535d8k.htm FORM 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549-1004

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 5, 2017

General Motors Financial Company, Inc.

(Exact name of registrant as specified in its charter)

Texas	**1-10667**	**75-2291093**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

801 Cherry Street, Suite 3500, Fort Worth, Texas 76102
(Address of principal executive offices, including Zip Code)

(817) 302-7000
(Registrant's telephone number, including area code)

(Not Applicable)
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17-CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 Entry into a Material Definitive Agreement

On March 5, 2017, General Motors Holdings LLC (the "Seller"), a wholly owned subsidiary of General Motors Company (the "Parent") and the parent of General Motors Financial Company, Inc. (the "Company"), entered into a Master Agreement (the "Agreement") with PSA Group (the "Purchaser"). Pursuant to the Agreement, the Purchaser will acquire, together with a financial partner, the Seller's European financial subsidiaries and branches (collectively, the "Fincos"), as well as the Parent's Opel and Vauxhall businesses and certain other assets in Europe (the "Opel/Vauxhall Business" and, together with the Fincos, the "Transferred Business"), including all of the equity interests of certain subsidiaries of the Parent, certain minority interests and substantially all of the assets of the Parent's subsidiary, Adam Opel AG, a German *Aktiengesellschaft* ("AOAG").

The net consideration to be paid to the Company for the Fincos will be 0.8 times their book value at closing, which the Company estimates will be approximately $1 billion (€927 million), subject to certain adjustments including pension payments as provided in the Agreement.

The transfer of the Opel/Vauxhall Business and the Fincos is subject to the satisfaction of various closing conditions, including receipt of necessary antitrust, financial and other regulatory approvals, the reorganization of the Transferred Business, including certain pension plans in the United Kingdom, the completion of the contribution or sale by AOAG of its assets and liabilities to a subsidiary, the transfer of GMAC UK plc's interest in SAIC-GMAC Automotive Finance Company Limited to the Company or an alternate entity designated by the Seller (unless either party elects to close without completion of the transfer), and the continued accuracy (subject to certain exceptions) at closing of certain of the Seller's representations and warranties. However, there can be no assurance that the necessary approvals for the transfer of all of the Fincos will be obtained or that the other closing conditions under the Agreement will be satisfied. The transfer of the Opel/Vauxhall Business is expected to close by the end of 2017. The transfer of the Fincos will close as soon as practicable after the receipt of necessary financial and other regulatory approvals, which may be after the transfer of the Opel/Vauxhall Business. Certain of these transfers may occur as late as 18 months after the closing of the transfer of the Opel/Vauxhall Business, but if completion of the transfer of any of the Fincos has not been completed by that date, the Company will retain and liquidate the remaining Fincos. The transfer of the Fincos will not occur unless the transfer of the Opel/Vauxhall Business occurs.

The Agreement contains certain termination rights for both the Seller and the Purchaser, including if certain closing conditions with respect to the transfer of the Opel/Vauxhall Business have not been satisfied on or before June 1, 2018.

The Seller and the Purchaser have each made customary representations, warranties and covenants in the Agreement, including, among others, covenants by the Seller to conduct the Opel/Vauxhall Business and the business of the Fincos in the ordinary course between the execution of the Agreement and the consummation of the transaction.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017.

ITEM 2.05 Costs Associated with Exit or Disposal Activities

In connection with the transaction described under Item 1.01 above, which description is incorporated herein by reference, the Company expects to recognize a non-cash charge of approximately $700 million to $800 million. The charge principally consists of a disposal loss charge of approximately $250 million to $400 million depending on book value at closing, a tax liability of approximately $100 million related to the reorganization of the Fincos to be transferred and a charge related to the recognition of foreign currency translation losses to be determined at the closing date. At December 31, 2016, the foreign currency translation losses in shareholder's equity were $338 million. At a future reporting date, the Fincos will be presented as held for sale and as discontinued operations following the receipt of certain consents and approvals also described in Item 1.01 above.

All of the above charges, the nature of such charges and the effect of such charges are estimates only and are subject to change.

We have assumed an exchange rate of $1.054/€1.00 for this Current Report on Form 8-K.

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks, and uncertainties and typically include words or variations of words such as "anticipate," "believe," "intend," "predict" "outlooks," "objective," "forecast," "will" or "may" or other comparable terms and phrases. All statements that address results, events or developments that the Company expects or anticipates will occur in the future are forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the Company's control and are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, as well as additional factors it may describe from time to time in other filings with the U.S. Securities and Exchange Commission. Forward-looking statements provide the Company's current expectations or predictions of future conditions, events or results and speak only as of the date they are made, and the Company can provide no assurance that these expectations and predictions will prove to have been correct and actual results may vary materially. The Company disclaims any obligation to publicly update or revise any forward-looking statements, except as required by law.

ITEM 7.01 Regulation FD Disclosure

On March 6, 2017, the Parent issued a press release announcing entry into the Agreement. A copy of the press release announcing entry into the Agreement is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

ITEM 9.01 Financial Statements and Exhibits

EXHIBIT

Exhibit No.	Description	Method of Filing
Exhibit 99.1	Press Release of Parent Dated March 6, 2017	Attached as Exhibit

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		General Motors Financial Company, Inc.
		(Registrant)
Date: March 6, 2017	By:	/s/ CHRIS A. CHOATE
		Chris A. Choate Executive Vice President and Chief Financial Officer