

# U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Announces Pricing of \$2.7 Billion of Ally TruPs

3/2/2011

**WASHINGTON** – Today, the U.S. Department of the Treasury announced that it priced a secondary offering at par for all of its Ally Financial Inc. (Ally) trust preferred securities (TruPs). The aggregate proceeds from the offering will be approximately \$2.7 billion. The closing of the sale is expected to occur on March 7, 2011.

"Today's transaction represents an important step toward exiting our investment in Ally, as we continue to work to recover taxpayer dollars," said Acting Assistant Secretary for Financial Stability Tim Massad. "As the economy heals, we're continuing to replace government support with private capital in the financial markets."

Pursuant to the Troubled Asset Relief Program (TARP), Treasury invested a total of \$17.2 billion in Ally, which provides financing to auto dealers and consumers. This investment was part of Treasury's successful effort to prevent the collapse of the U.S. auto industry, which could have resulted in millions of jobs lost at the height of the financial crisis. The TruPs sale represents the first disposition of Treasury's Ally holdings. With the \$2.7 billion in TruPs proceeds, Treasury will have received approximately \$4.9 billion in return from Ally to date, including \$2.2 billion in dividends and interest. After the closing, Treasury will continue to hold \$5.9 billion of mandatory convertible preferred stock in Ally and 74 percent of the outstanding shares of Ally's common stock.

To date, TARP repayments (\$241 billion) and income (\$36 billion) total approximately \$277 billion. With the expected proceeds from the sale of these \$2.7 billion in Ally TruPs, TARP repayments and income would reach approximately \$280 billion.

In President Obama's FY2012 budget, the Administration estimated that the lifetime cost of TARP would be approximately \$48 billion — a fraction of the \$700 billion originally authorized for that program.

On the TruPs sale, Citigroup, Deutsche Bank, J.P. Morgan and Morgan Stanley acted as joint lead managers.

The results of this sale will be posted on Treasury's TARP transactions report within two business days of its completion at [www.financialstability.gov](http://www.financialstability.gov).

Copies of the prospectus relating to these securities may be obtained, from: Citigroup Global Markets Inc., Attention: Prospectus Department, Brooklyn Army Terminal, 140 58th Street, 8th Floor Brooklyn, New York 11220, by emailing [batprospectusdept@citi.com](mailto:batprospectusdept@citi.com), or by calling toll-free in the United States 1-877-858-5407; Deutsche Bank Securities Inc. Attention: Prospectus Department, 100 Plaza One Jersey City, NJ 07311, by emailing [prospectusrequest@list.db.com](mailto:prospectusrequest@list.db.com), or by calling toll-free in the United States 1-800-503-4611; J.P. Morgan Securities LLC 383 Madison Avenue, New York, NY 10179, Attn: High Grade Syndicate Desk - 3rd floor, or by calling 1-212-834-4533; or Morgan Stanley & Co. Incorporated, 180 Varick Street, New York, New York 10014, Attention: Prospectus Department, by emailing

[Prospectus@morganstanley.com](mailto:Prospectus@morganstanley.com), or by calling toll-free in the United States 1-866-718-1649. Before you invest, you should read the prospectus and other documents the Company has filed with the SEC for more complete information about the Company and the securities

This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities.

