



**General Motors Acceptance Corp.  
German Investor Luncheon  
24 May 2005**

Sanjiv Khattri  
Executive Vice President &  
Chief Financial Officer



# GMAC Safe Harbor

In the presentation that follows and in related comments by General Motors Acceptance Corporation's management, our use of the words "expect", "anticipate", "project", "estimate", "forecast", "objective", "plan", "goal", "outlook", "target", "pursue" and similar expressions is intended to identify forward looking statements.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GMAC's most recent report on SEC Form 10-K, which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: changes in economic conditions, currency exchange rates, significant terrorist attacks or political instability in the major markets where we operate; changes in the laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect the production, licensing, distribution or sale of our products, the cost thereof or applicable tax rates; and the threat of terrorism, the outbreak or escalation of hostilities between the United States and any foreign power or territory and changes in international political conditions may continue to affect both the United States and the global economy and may increase other risks.

Use of the term "loans" describes products associated with direct and indirect lending activities of GMAC's global operations. The specific products include retail installment sales contracts, loans, lines of credit, leases and other financing products. The term "originate" refers to GMAC's purchase, acquisition or direct origination of various "loan" products.



# General Motors



# 2005 First Quarter Highlights

- **Adjusted EPS (\$1.48) (excludes special items), (\$839) million Net Loss, \$45.8 billion Revenue**
  - Reported EPS (\$1.95), (\$1.1) billion Net Loss
- **Low Q1 '05 production levels combined with a weaker product mix and increased healthcare expense drove significant loss at GMNA**
- **Favorable impact from GME recovery plan beginning to be realized**
  - GME first quarter market share at six year high
- **5<sup>th</sup> consecutive quarter of profit from GMLAAM**
- **Reduced GMAP profit driven by more challenging China environment and reduced Japan income**
- **Solid GMAC performance despite interest rate challenges**
  - Strong Mortgage operation results



# GM Q1 Adjusted Results – Net Income

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
GMNA	\$401	(\$1,336)	(\$1,737)
GME	(116)	(103)	13
GMLAAM	1	46	45
GMAP	275	60	(215)
Total Automotive	561	(1,333)	(1,894)
GMAC	764	728	(36)
Corporate Other	(117)	(234)	(117)
Total Net Income	<b>1,208</b>	<b>(839)</b>	<b>(2,047)</b>
EPS (excl. special items)	2.12	(1.48)	(3.60)
Worldwide Production (000)	2,273	2,211	(62)
Global Market Share	13.6%	13.4%	(0.2) p.p.



**General Motors Acceptance Corporation**

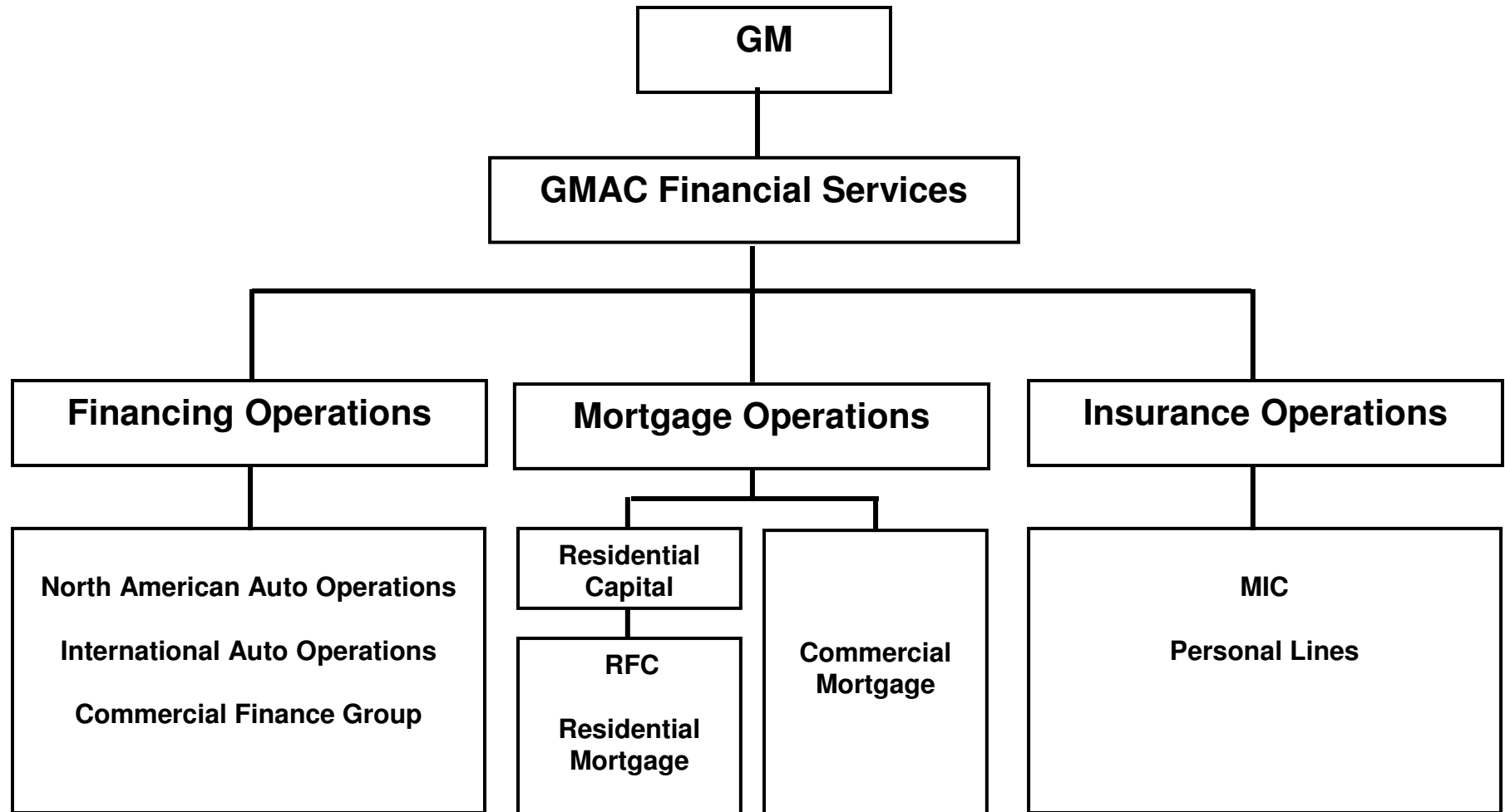


# 3 Major Lines of Business

- **Financing** (Q1 2005 assets of \$189 Billion)
  - Financing loans to automotive retail and lease customers
    - 8.6 million retail automotive accounts
  - Inventory financing to automotive dealers
  - Real estate and working capital loans to dealers
    - 9,500 automotive dealer relationships
  - Full-service leasing
  - Asset-based lending
- **Insurance** (Q1 2005 assets of \$12 Billion)
  - Extended warranty contracts
  - Personal auto insurance
  - Commercial insurance for dealers
  - Reinsurance
- **Mortgage** (Q1 2005 assets \$114 Billion)
  - Residential and commercial mortgages
    - 8<sup>th</sup> year in a row of increasing U.S. market share
    - 2.6 million mortgage customers
  - Securitization of mortgages
  - Expanding international mortgage operations
  - Growing investment / asset management business



# Organization Structure



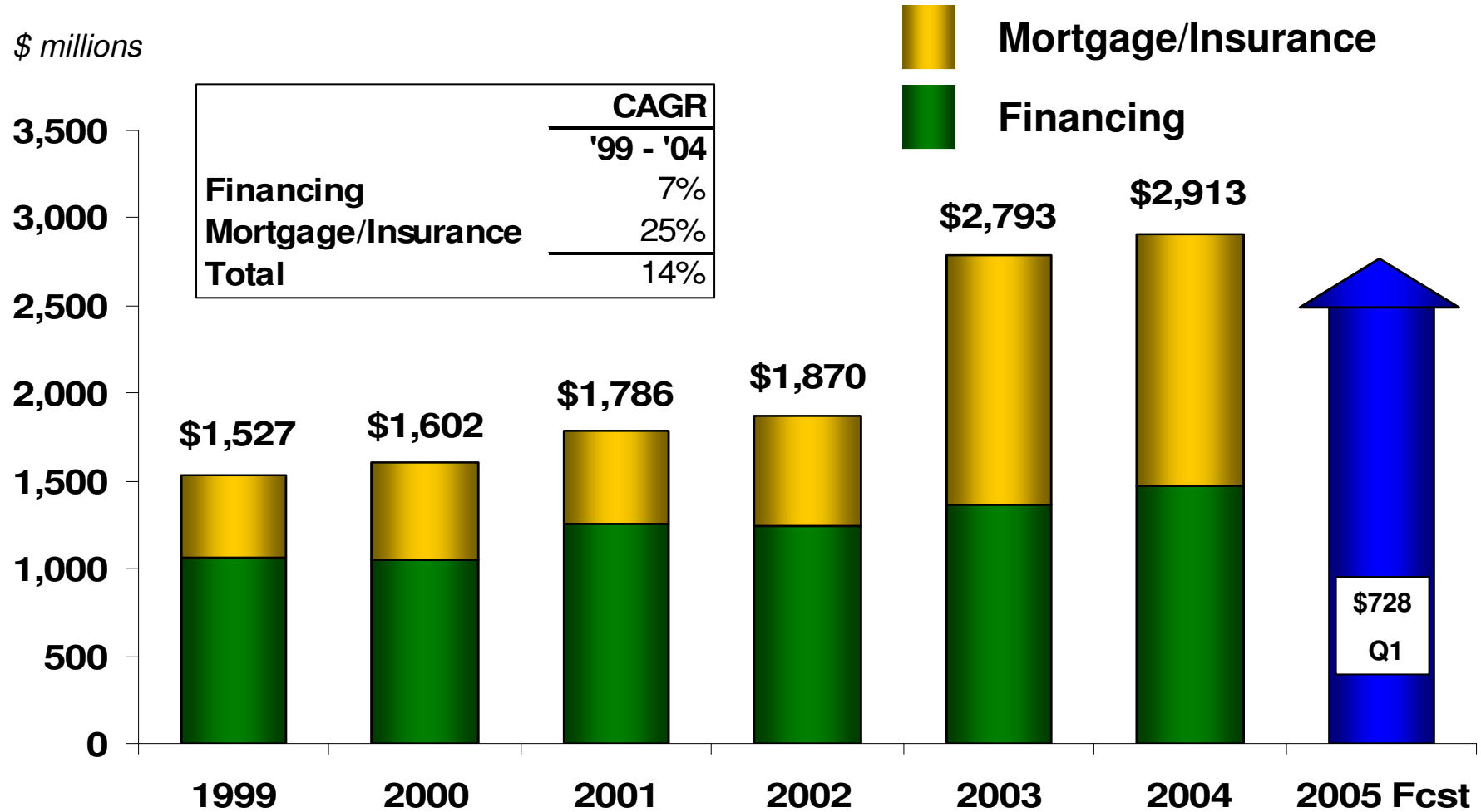


# Global Origination Volume

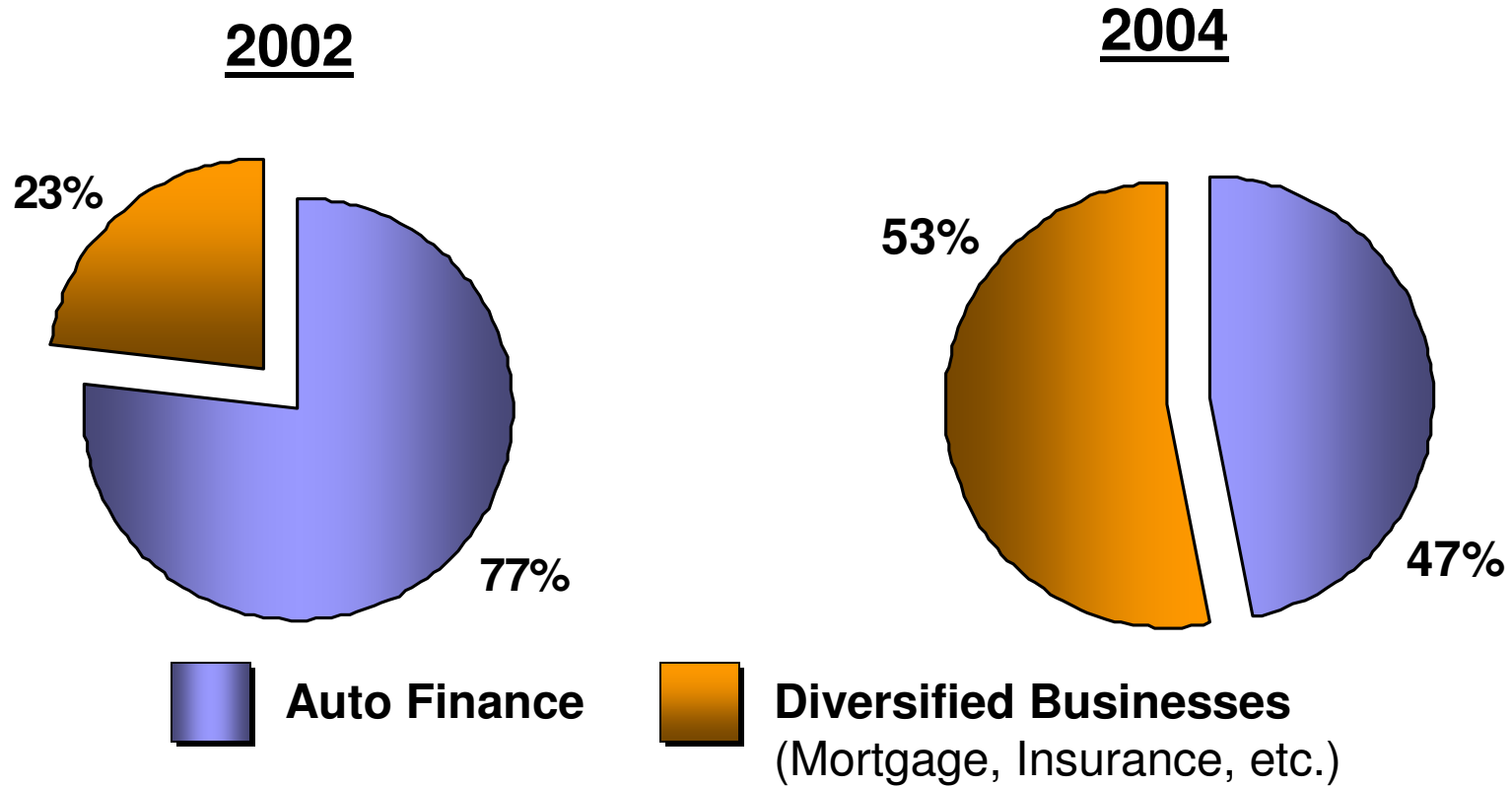
	2001	2002	2003	2004
<i>(thousand of units)</i>				
<b>Global Automotive Financing Volume</b>				
Consumer	2,718	2,641	2,348	2,493
Wholesale	5,853	6,348	6,312	6,558
Consumer Financing (\$ billions)	\$69	\$71	\$68	\$69
Avg. Wholesale Assets Outstanding (\$ billions)	\$20	\$18	\$24	\$28
 <i>(\$ billions)</i>				
<b>Mortgage Loan Origination &amp; Acquisition</b>	\$107	\$143	\$206	\$170
 <i>(\$ millions)</i>				
<b>Total Insurance Premiums Written</b>	\$2,746	\$3,551	\$3,929	\$4,095



# GMAC Net Income



- Net Income increases in a challenging ratings environment



- **GMAC Net Income Diversification**

- Sustainable future earnings driven by diverse business portfolio



# First Quarter 2005 Net Income

<i>\$ millions</i>	Memo: <u>2003</u>	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
<b>Financing</b>	\$302	\$442	\$248	(\$194)
<b>Mortgage</b>	371	231	385	154
<b>Insurance</b>	<u>26</u>	<u>91</u>	<u>95</u>	<u>4</u>
<b>Total</b>	699	764	728	(36)



# Recent Financial Results



- **Achieved in a Difficult Environment**
  - **Credit Rating Downgrades**
  - **Rising Market Interest Rates**
  - **Widening GMAC Borrowing Spreads**
  - **Declining Mortgage Volume**



## 2005 Net Income



Financing Operations



Insurance Operations



Mortgage Operations

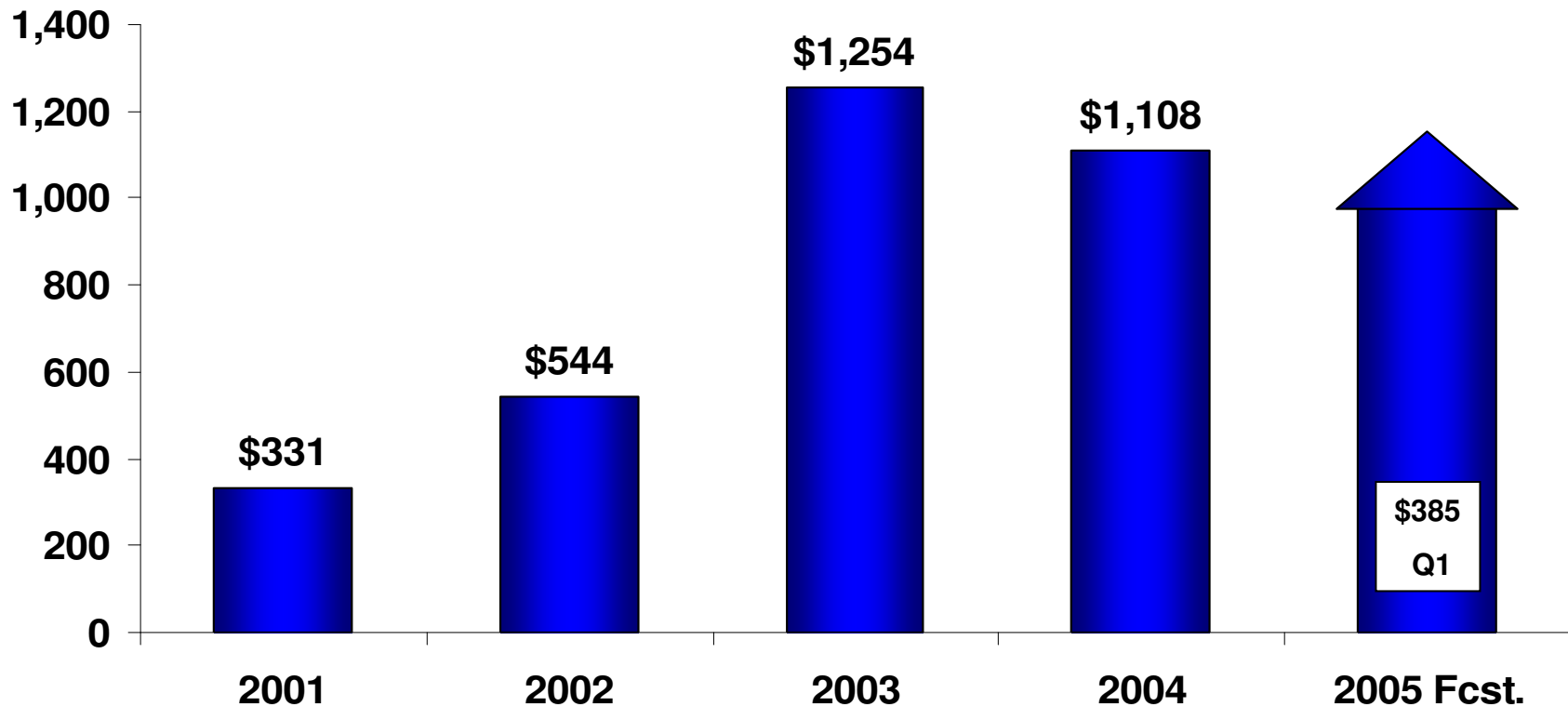
---

At least \$2.5 Billion



# Mortgage Net Income

\$ millions



**Industry Volume \***  
(\$ trillion)

2.0

2.6

3.8

2.8

2.2

Volume represents US residential mortgage industry – source: Fannie Mae



# 2005 Mortgage Outlook

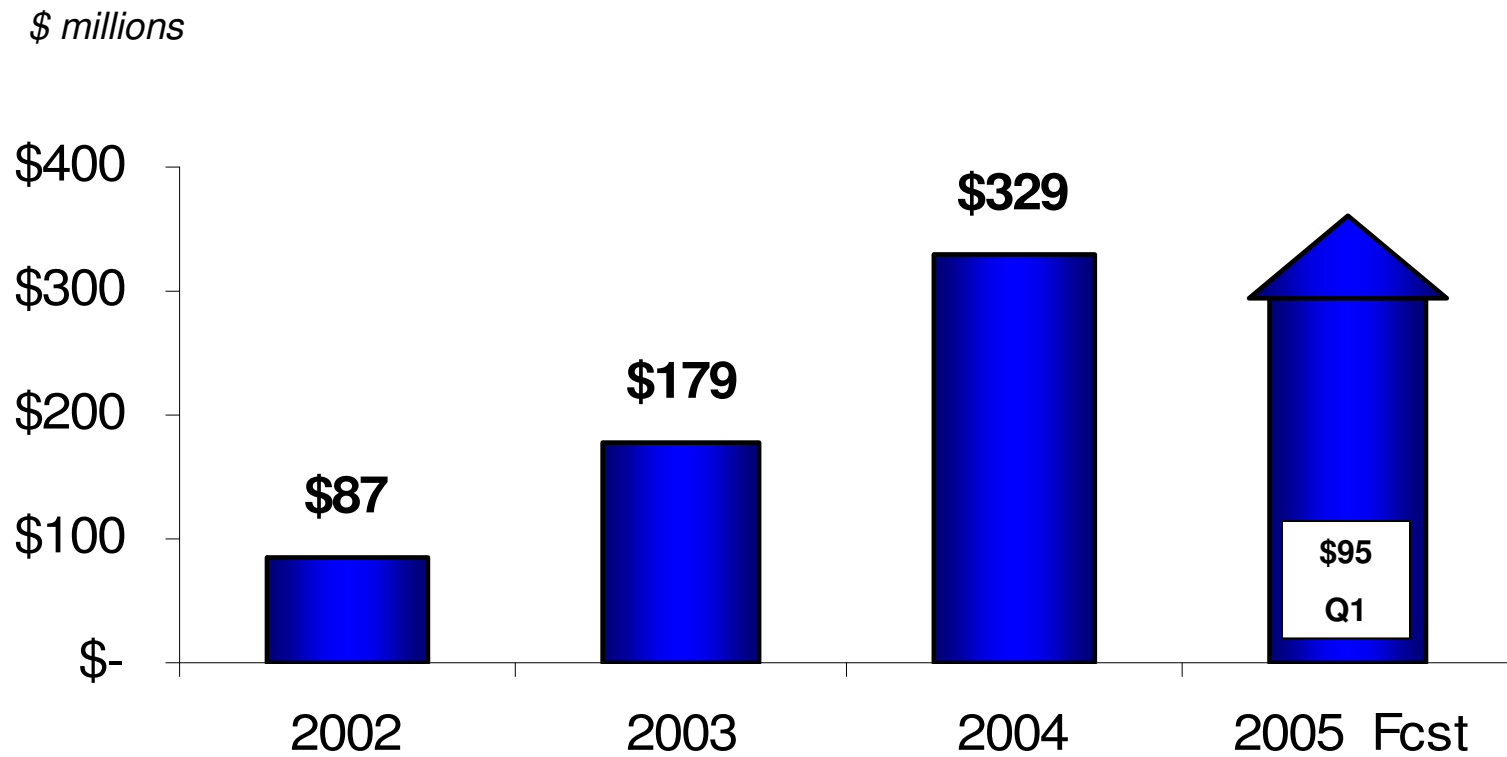
 Industry Volume

 GMAC Mortgage Profitability

- Growth in U.S. market share for 9<sup>th</sup> year in a row
- Increase in servicing income
- Increase in fee-for-service businesses
- Expansion of international mortgage operations



# Insurance Net Income





# 2005 Insurance Outlook

## 2005 Outlook

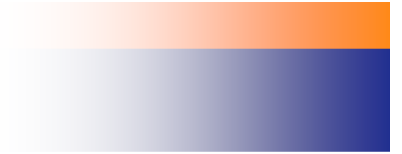
- Insurance Premium Growth **G**
- Underwriting Performance **G**
- Growth in International Markets **G**
- Income From Investment Portfolio **G**

(\$ Millions)

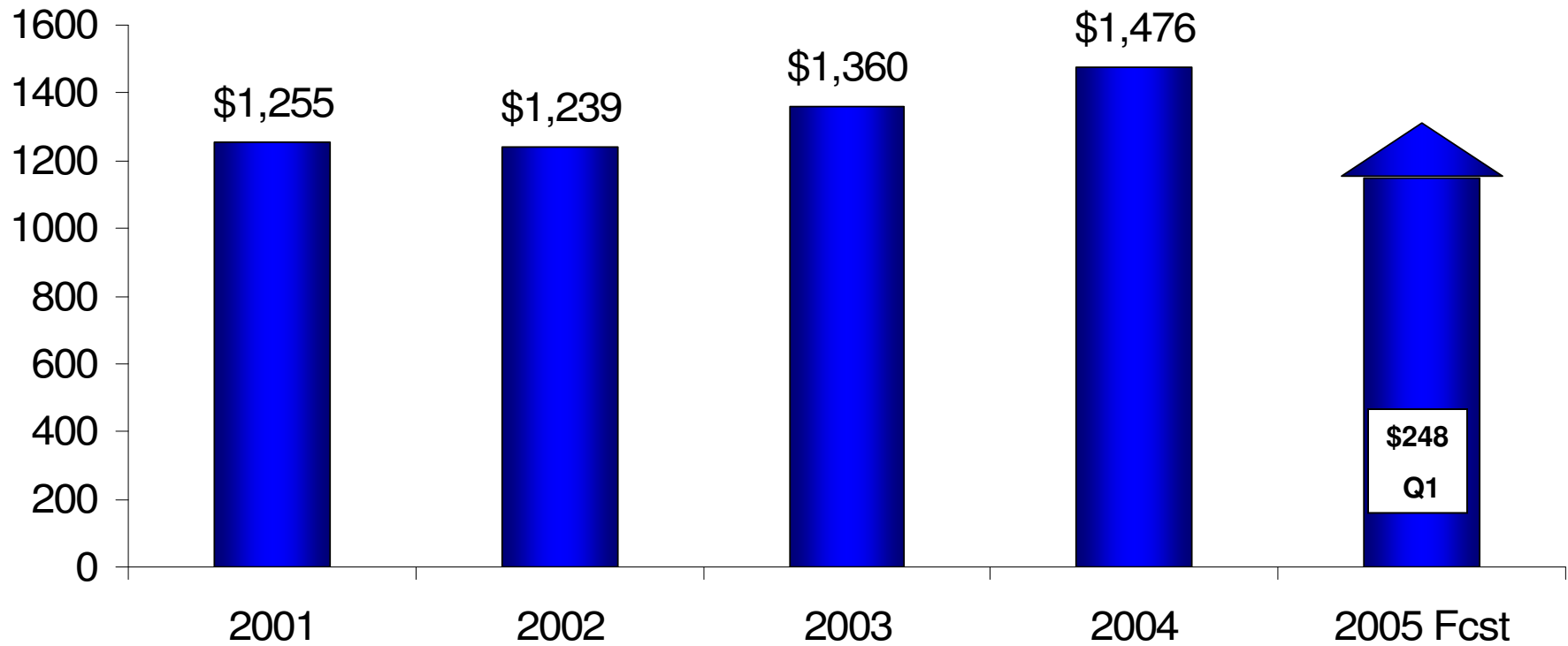
	<u>1/1/03</u>	<u>1/1/04</u>	<u>1/1/05</u>
<b>Market Value of Investment Portfolio</b>	\$5,080	\$6,248	\$7,320



# Financing Net Income



*\$ millions*





# 2005 Financing Outlook

## 2005 Outlook

- Rising Interest Rates
- Widening Borrowing Spreads
- Balance Sheet Capacity
- Credit Losses
- Gains on Off-Lease Vehicles

Y

Y

Y

G

G



# GMAC Liquidity Update



# GMAC Liquidity Position



- **GMAC currently with very strong liquidity position**
- **Strong Q1 '05 cash portfolio of \$18.5 billion\***
- **Capital leverage ratio reduced**
- **Term of debt maturities extended**
- **Many new funding channels established with more being cultivated**
  - Reduced reliance on institutional unsecured debt

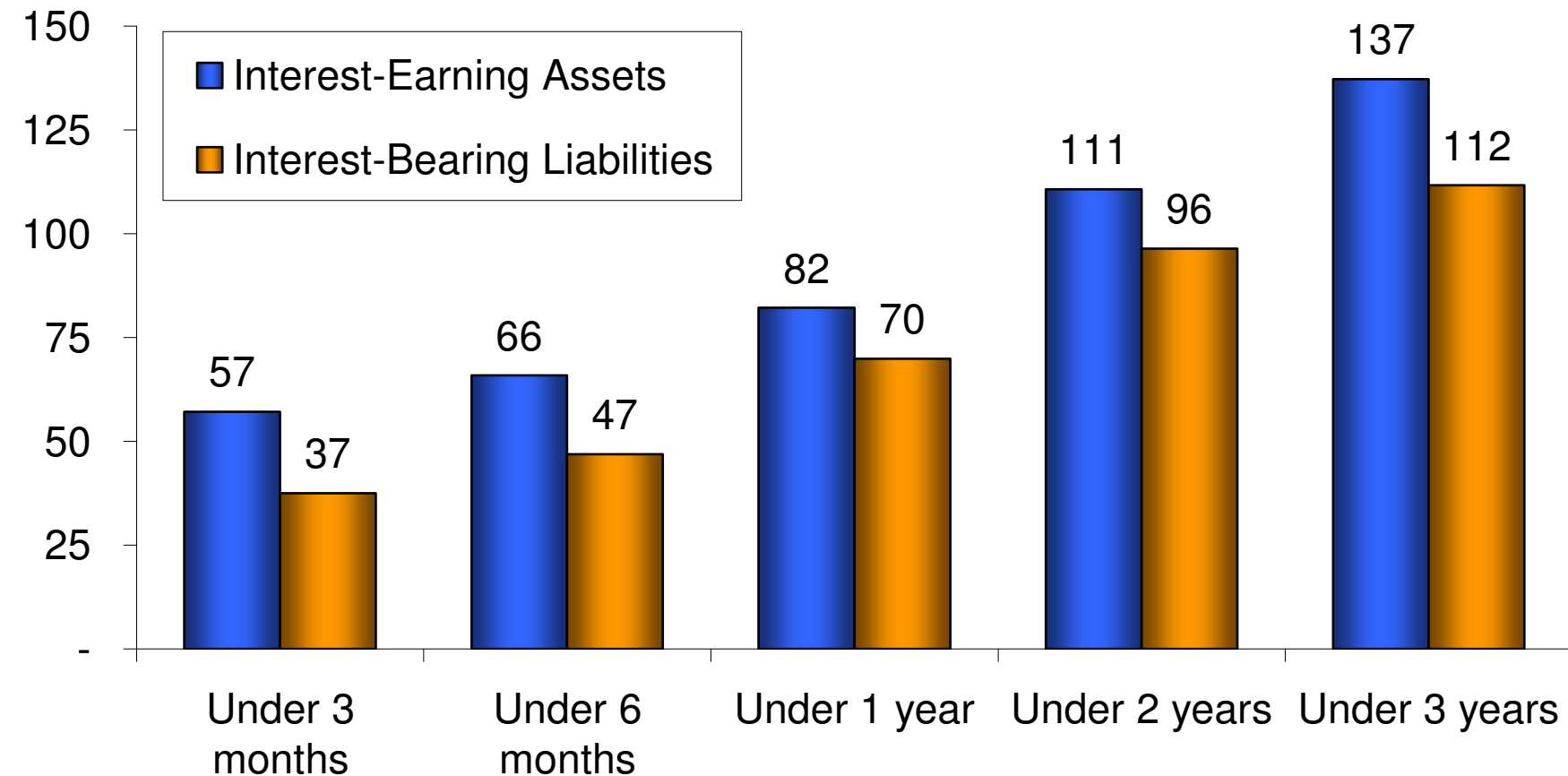
\* Includes \$2.4B of cash invested in a portfolio of highly liquid marketable securities



# Liquidity Profile

## GMAC Consolidated Asset and Liability Scheduled Maturities As of March 31, 2005

\$ Billions



Includes cash; excludes on-balance sheet secured debt and the related assets

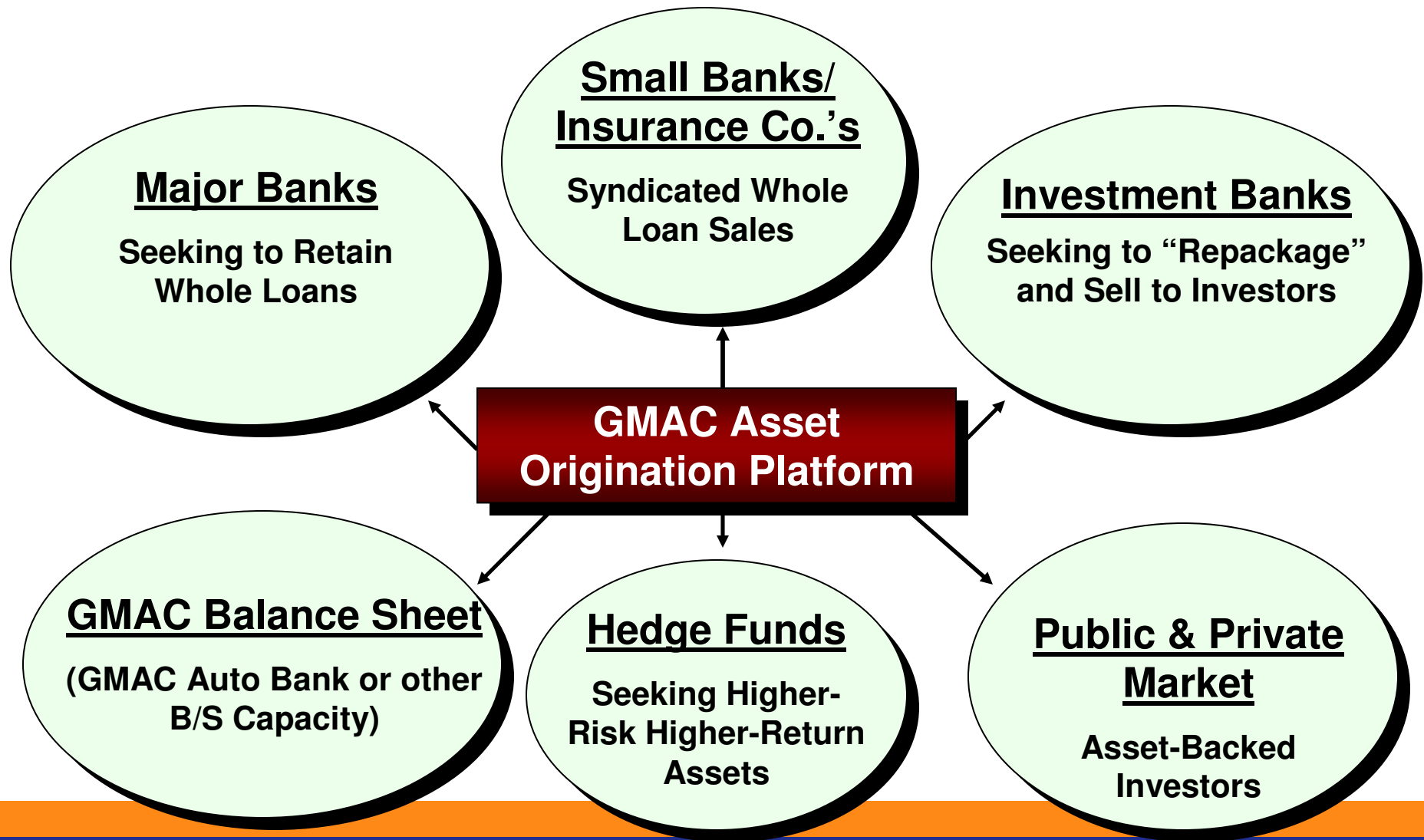


# GMAC Global Liquidity

Billions at 3/31/05	<u>Line Size</u>	<u>Usage</u>	<u>Unutilized</u>
Committed Credit Lines	\$36.7	\$0.8	\$35.9
Uncommitted Credit Lines	<u>20.4</u>	<u>13.5</u>	<u>6.9</u>
Total Bank Credit Lines	\$57.1	\$14.3	\$42.8
Other Committed Capacity	\$50.3	\$25.9	\$24.4
Automotive Whole Loan Arrangements	\$11.0	\$6.0	\$5.0

- Over \$70B of unutilized capacity
- Strong Q1 '05 cash portfolio of \$18.5B\*

\*Includes \$2.4B of cash invested in a portfolio of highly liquid marketable securities





# New Funding Initiatives

- **Further develop the private and public whole loan markets for auto assets**
  - GMAC selling more subordinated tranches
  - Extending committed flow agreements
  - Syndicated multi-investor whole loan transactions
- **Grow GMAC banks**
  - GMAC Automotive Bank, GMAC Bank, GMAC Commercial Mortgage Bank, Escrow Bank USA
- **Execute non-traditional asset securitization**
  - Transactions completed for GMAC Commercial Finance, Nuvel



# Originate/Sell Auto Finance Model

GMAC  
“Front-End”

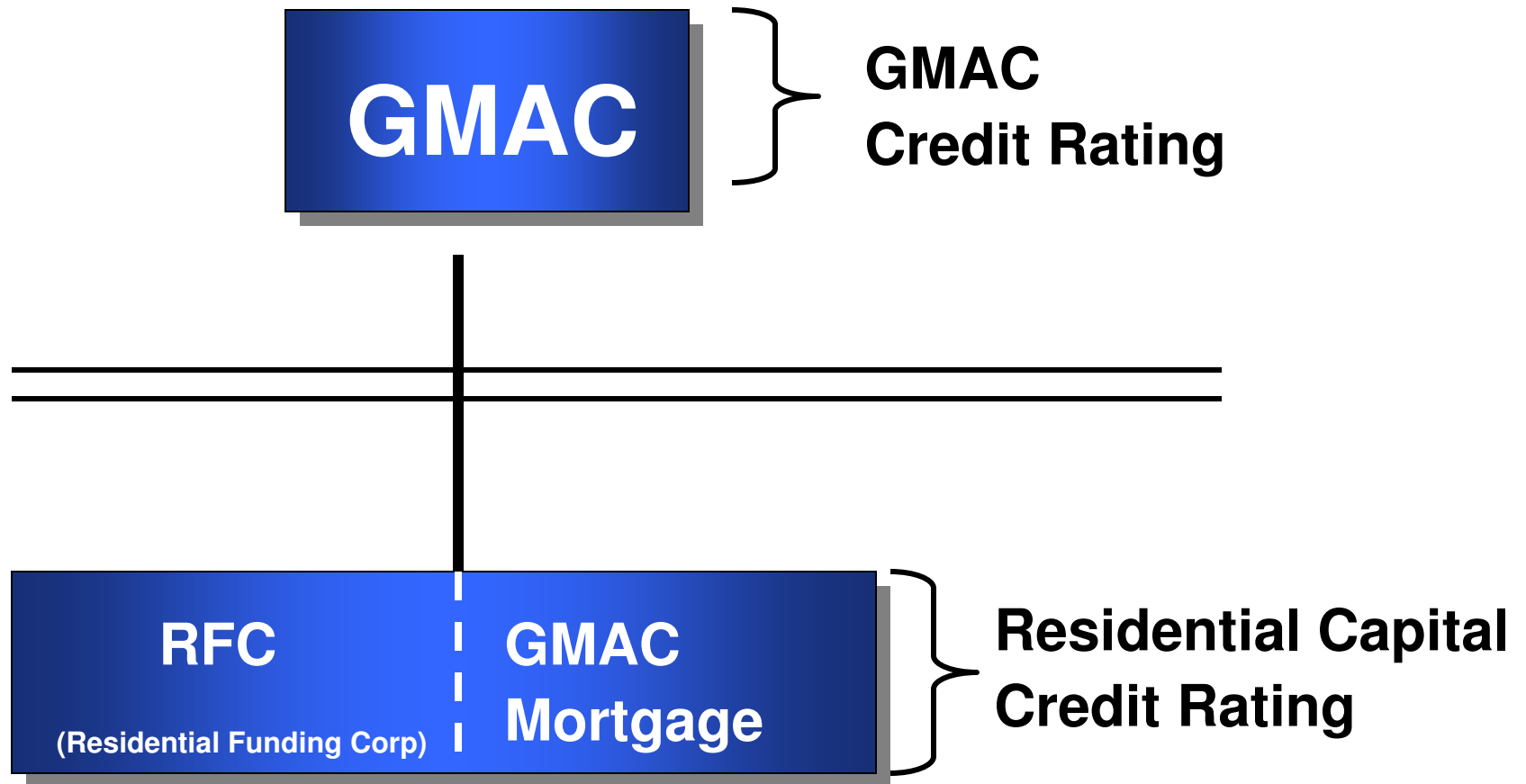
- Unique Origination Platform
- Captive Financing for GM’s Subvented Business
- Auto Loan Underwriting Expertise
- Loan Servicing Expertise

Financial Institutions  
“Back-End”

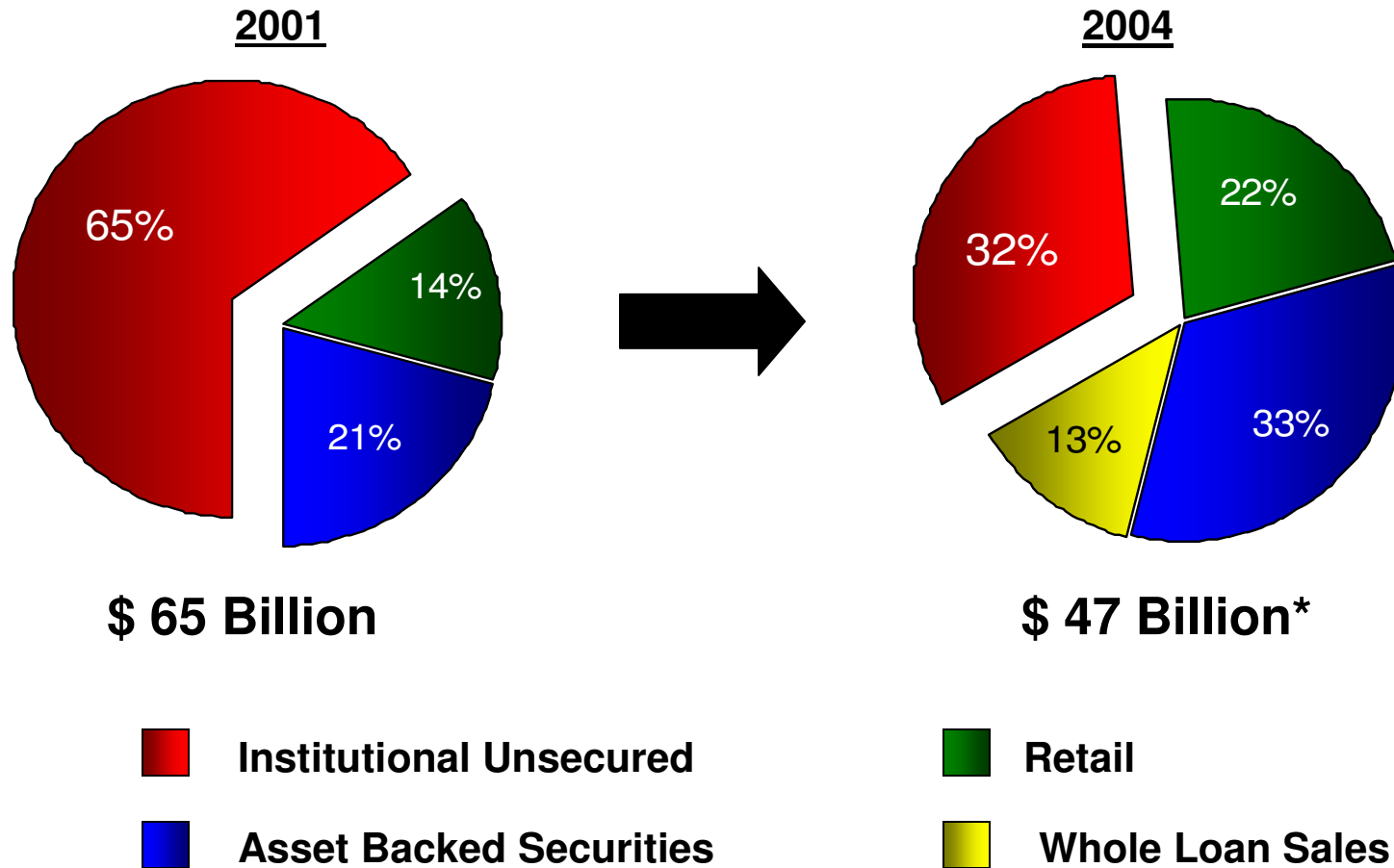
- Low Cost of Funds
- Balance Sheet Capacity



# Residential Mortgage Operations Stand-alone Credit Rating

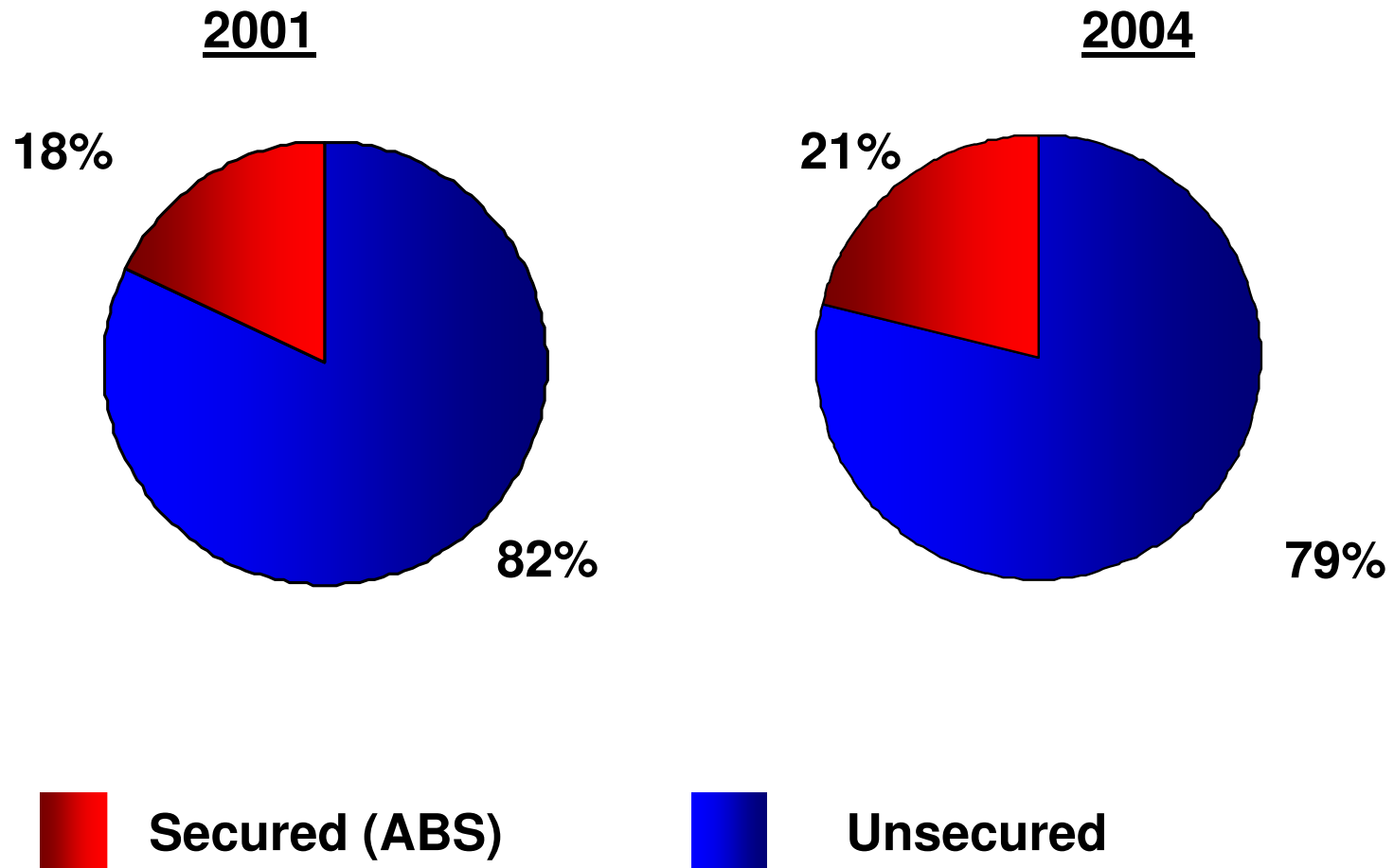


# US Funding Mix







\* Includes pre-funding for 2005

# Impact of ABS on Global Automotive Funding Outstanding





# 2005 GMAC U.S. Auto Funding Plan

	<u>2004</u>	<u>2005</u>
Unsecured	32%	
Retail	22%	
Secured	33%	
└ ABCP		
└ Term ABS		
└ Bank Conduits		
Whole Loan	13%	
Total	<hr/> \$47 Billion*	<hr/> < 2004

\* Includes pre-funding for 2005



# GM / GMAC Operating Agreement

- Formal public operating agreement in place since 2001
  - All credit transactions are conducted and priced at prudent and commercially reasonable standards and established on an arm's length basis
  - GMAC's equity will be kept at commercially-reasonable levels, as determined quarterly, to support its assets
  - GMAC will, at all times, maintain separate books, records, financial statements and bank accounts from GM
- Agreement has stood the test of time
  - GM and GMAC are recognized as separate stand-alone companies
  - Agreement is a legally binding enforceable contract between GM and GMAC
    - Enforceable by all impacted stakeholders

# **GMAC** 2005 Objectives

- Net Income
  - Earn at least \$2.5 billion
- Dividends to GM
  - Remit in excess of \$2.0 billion
- Strong Liquidity Position
  - Ensure ample funding under downside scenarios



# Q & A



**General Motors Acceptance Corporation**