

# 2022

Annual Report



## OUR BUSINESS

### **A leader in digital financial services.**

Ally Financial Inc. (NYSE: ALLY) is a financial services company with the nation's largest all-digital bank and an industry-leading auto financing business, driven by a mission to "Do It Right" and be a relentless ally for customers and communities. The company serves approximately 11 million customers through a full range of online banking services (including deposits, brokerage and investment advisory services, mortgage, point-of-sale personal lending and credit card products) with a corporate finance business that offers capital for equity sponsors and middle-market companies, as well as auto financing and insurance offerings through more than 23,000 dealers nationwide.

## OUR PURPOSE

### **Be a relentless ally that does right.**

As a customer-obsessed company with passionate customer service and innovative financial solutions, we are relentlessly focused on "Doing It Right" and being a trusted financial-services provider to our banking, auto and corporate customers. We are the nation's leading auto lender and the largest online-only bank, who has paved the way for industry transformation by making banking simpler and more straightforward. We are rooted in the belief that we are all better off with an ally.

## OUR PROMISE

### **Do right by our customers.**

We're creating a better way to bank. Our teammates are committed to developing award-winning technology, financial services that make your life easier, products that are never status quo and diverse thinking that inspires new ideas. We have a fierce commitment to:

- "Do It Right"
- Treat every customer equally with honesty and integrity.
- Give back to our communities—primarily focused on reducing barriers to economic mobility through financial education, affordable housing, workforce preparedness and digital job training.

# GAAP & core results: annual.

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
GAAP earnings per common share ("EPS") (diluted, net income attributable to common shareholders)	\$ 5.03	\$ 8.22	\$ 2.88	\$ 4.34	\$ 2.95
Adjusted EPS <sup>1,2</sup>	\$ 6.06	\$ 8.61	\$ 3.03	\$ 3.72	\$ 3.34
Return (net income) on GAAP common equity	13.3%	20.2%	7.7%	12.4%	9.4%
Core ROTCE <sup>1,2</sup>	20.5%	24.3%	9.1%	12.0%	12.3%
GAAP common shareholder's equity per share	\$ 35.20	\$ 43.58	\$ 39.24	\$ 38.51	\$ 32.77
Adjusted tangible book value per share <sup>1,2</sup>	\$ 29.96	\$ 38.73	\$ 36.05	\$ 35.06	\$ 29.93
GAAP total net revenue	\$ 8,428	\$ 8,206	\$ 6,686	\$ 6,394	\$ 5,804
Adjusted total net revenue <sup>1,2</sup>	\$ 8,685	\$ 8,381	\$ 6,692	\$ 6,334	\$ 6,011
Pre-provision net revenue <sup>2</sup>	\$ 3,741	\$ 4,096	\$ 2,853	\$ 2,965	\$ 2,540
Core Pre-provision net revenue <sup>1,2</sup>	\$ 4,075	\$ 4,271	\$ 2,909	\$ 2,905	\$ 2,747

<sup>1</sup> The following are non-GAAP financial measures which Ally believes are important to the reader of the Consolidated Financial Statements, but which are supplemental to and not a substitute for GAAP measures: Adjusted earnings per share (Adjusted EPS), Core pre-tax income (loss), Core pre-provision net revenue (Core PPNR), Core net income (loss) attributable to common shareholders, Core return on tangible common equity (Core ROTCE), Adjusted total net revenue, Net financing revenue (excluding Core OID), Adjusted other revenue, Adjusted noninterest expense, Core original issue discount (Core OID) amortization expense, Core outstanding original issue discount balance (Core OID balance), and Adjusted tangible book value per share (Adjusted TBVPS). These measures are used by management, and we believe are useful to investors in assessing the company's operating performance and capital.

<sup>2</sup> Represents a non-GAAP financial measure. Refer to the 2022 Financial Tables later in this document for a Reconciliation to GAAP.



GAAP RETURN  
ON EQUITY

**13.3%**

CET1 CAPITAL  
RATIO

**9.3%**

CORE ROTCE<sup>1</sup>

**20.5%**

TOTAL ASSETS

**\$192 billion**

TOTAL DEPOSITS

**\$152 billion**

**ally**

GAAP TOTAL NET REVENUE

**\$8.4 billion**

ADJ. TOTAL NET REVENUE<sup>1</sup>

**\$8.7 billion**

CUMULATIVE  
SHAREHOLDER  
DISTRIBUTIONS<sup>3</sup> **\$8.6  
billion**

CUSTOMERS<sup>2</sup>

**11 million**

<sup>1</sup> Represents a non-GAAP financial measure. Refer to the 2022 Financial Tables later in this document for a Reconciliation to GAAP.

<sup>2</sup> Customers include on-balance sheet Auto, U.S. and Canadian Insurance, active Depositors, on-balance sheet Ally Home DTC Mortgage, Ally Lending, Ally Invest and Ally Credit Card.

<sup>3</sup> Includes Ally's common share repurchase activity and common dividends.

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# Dear shareholders,



2022 was a year filled with rapid changes and unique challenges. During another year of unpredictable events that affected the operating backdrop, Ally demonstrated steady execution and delivered solid financial results.

At Ally, we take a long-term perspective. This approach to value creation and capital allocation results in a sustainable business model that is well-positioned to withstand a variety of operating environments. In 2022, we remained focused on executing against our long-term priorities and leaned on our core values to continue delivering for our customers, communities, employees and shareholders.

We began 2022 with an enterprise-wide challenge **to See Around Corners and to Embrace Disruptive Forces**. These themes have been very appropriate given the uncertainties surrounding us, from continued macroeconomic volatility, to concerns regarding inflation in nearly every aspect of life, and the ever-lingering impacts of the pandemic.

As I reflect on 2022, I think it's important to take an even bigger step back to recognize what has transpired over the past three years. The world has navigated a global pandemic, which has led to immeasurable lasting impacts and has forever altered our economies, communities, and

day-to-day lives. We have witnessed a historical amount of fiscal and monetary stimulus to ensure the global economy could continue to survive. We observed global supply chain constraints, driven by lockdowns and goods that weren't available, all of which was amplified by global conflict. We have also witnessed inflation that is no longer transitory, but persistent, real inflation that is impacting our economy, our customers, and our people.

I highlight these events because given that backdrop, it is important that we acknowledge the tremendous transformation that we have achieved as a company. While it is impossible to predict the operating environment, the foundation of our company has never been stronger. We've built businesses that are nimble and able to pivot against a fluid backdrop. We've optimized both sides of the balance sheet through deliberate actions, and we maintain healthy levels of capital, reserves and liquidity which positions us to manage this dynamic environment. We'll continue to drive long-term value for all stakeholders by **focusing on what we can control.**

One area that is firmly under our control is **how we execute against our long-term priorities.** Ally has gone through a fundamental transformation since becoming a publicly traded company in 2014. Our businesses have evolved through optimization within Dealer Financial Services along with expansion into other consumer lending verticals. Our funding profile shows equally meaningful progress. In 2014, we were only 41% deposit funded relative to 88% at year-end. Within Dealer Financial Services, we have grown from a primarily wholesale funded captive finance company to the leading, independent full credit spectrum auto and insurance provider to more than 23 thousand dealer relationships<sup>4</sup> and 6.5 million consumer customers backed by sticky and stable deposit funding.

<sup>4</sup> 'Active US Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

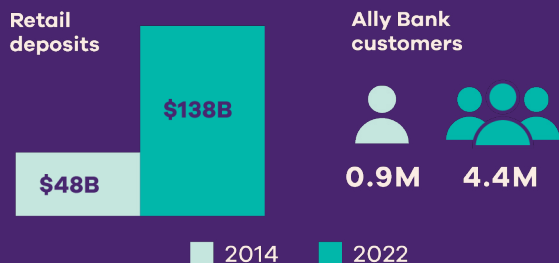
**" Since the launch of Ally Bank we've challenged ourselves to provide differentiated and frictionless products, and Ally has grown to the country's largest, all-digital direct bank with \$138 billion of retail deposits and over 4 million customers without a single physical branch, making it clear our model and our brand resonates with consumers. "**

This transformation on both sides of the balance sheet has resulted in a structurally more profitable company. Since 2014, revenues are up \$3.7 billion driven by asset diversification and optimization. Net interest margin has expanded 144 basis points and our cost of funds are down nearly 30 basis points despite higher interest rates. Since the inception of our share repurchase program in 2016, shares outstanding are down 38% creating significant value for long-term shareholders. I recognize there is a lot of focus on the near-term, but it's important to consider these tailwinds that have been created by thoughtful and deliberate strategic decisions over the past several years.

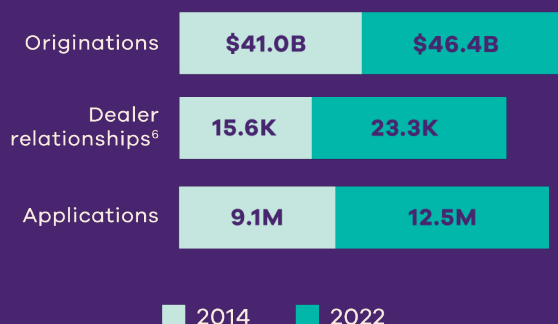


# Ally's transformation since 2014 IPO.

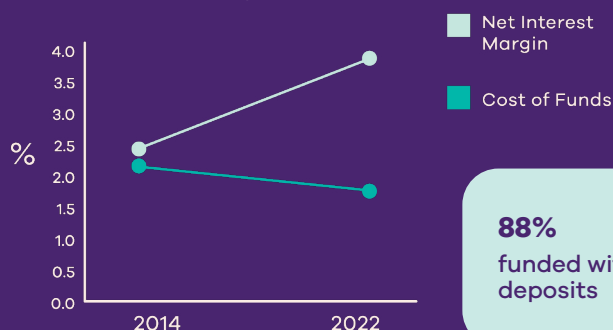
## Ally Bank: #1 largest, all digital direct U.S. bank<sup>5</sup>



## Auto Finance: Demonstrating strength and scale



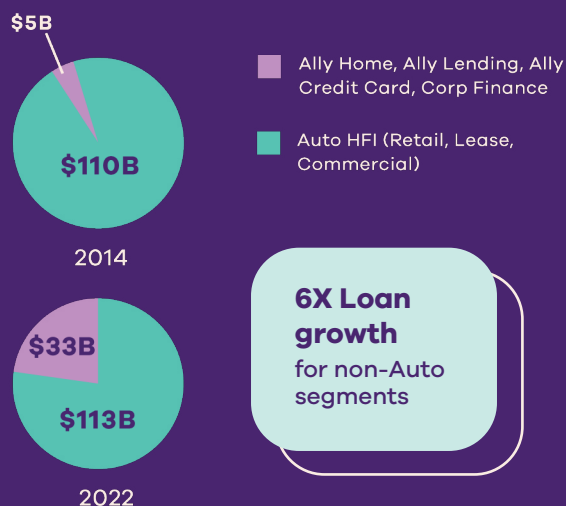
## Structurally enhanced net interest margin



**88%** funded with deposits

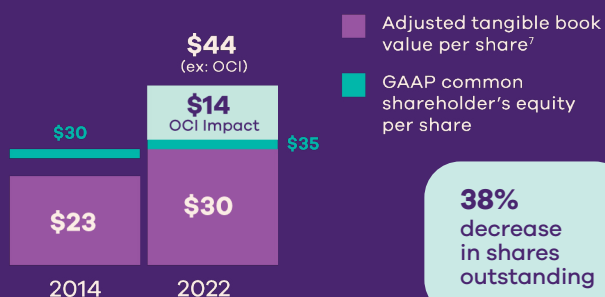
## Balance sheet diversification and revenue expansion

### Loans and leases (EOP)



**6X Loan growth** for non-Auto segments

## Building long-term intrinsic value



**38%** decrease in shares outstanding

### GAAP total net revenue



**81%** Revenue growth

<sup>5</sup> Source: FDIC, FFIEC Call Reports and Company filings of branchless banks including Marcus, Discover, American Express, Synchrony.

<sup>6</sup> Active U.S. Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

<sup>7</sup> Represents a non-GAAP financial measure. Refer to 2022 Financial Tables later in this document for a reconciliation to GAAP. Prior period OCI impacts are non-material to Adjusted Tangible Book Value per Share and therefore not included.



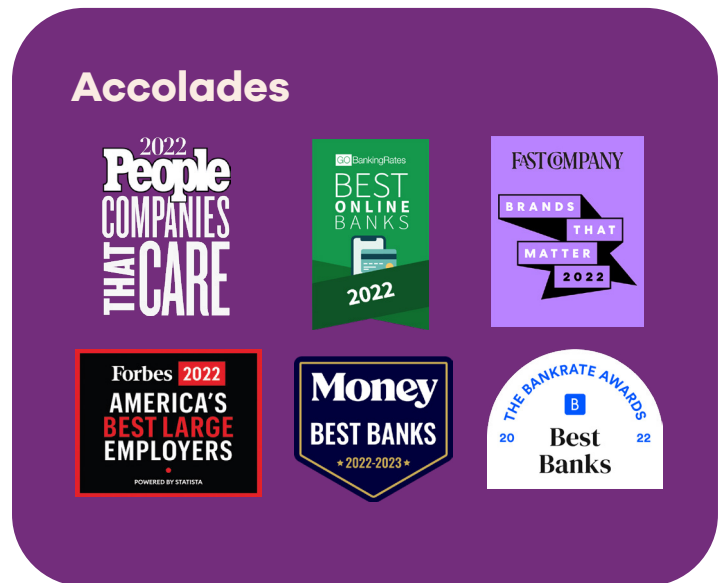
This business transformation was intentional and driven by our obsession to **“Do it Right” for our customers.** We have never wavered on this promise, and our customer-centric strategy continues to be at the core of who we are as a company. This year, after leading the charge to eliminate overdraft fees in 2021, we introduced CoverDraft, a free service that further enhances overdraft protection and helps take the stress out of accidental overspending. This service acts as a fee-free safety net for accidental overdrafts and provides Ally’s checking customers with temporary overdraft coverage. This is just another example of our commitment to be a relentless and financial ally for our customers.

While business execution is essential to our achievements, I believe that our success starts with another important controllable - **how we treat our employees.** As I’ve said before, my proudest accomplishment as CEO these past 8 years has been the evolution of our inclusive culture. Our purpose-driven culture is the driving force behind everything we do as a company. I firmly believe this approach to culture attracts the best talent and serves as the foundation for operational results leading to financial performance and long-term value creation for all stakeholders.

Ally consistently supported our teammates both financially and personally throughout 2022. We increased our minimum wage for the 2nd consecutive year to \$23 per hour which makes a meaningful difference for thousands of employees. I was also thrilled to announce that **all employees across the enterprise would be receiving another #OwnIt grant of 100 shares. This represents the 4th year of #OwnIt** and will further instill an ownership mentality for Ally employees. On a more personal level, we enhanced mental health benefits for our teammates and their families. We believe in taking action to combat the challenges our people face, which is why we more than doubled counseling sessions for each family member per year. To get culture right, you must unrelentingly care for your people – in good times and more importantly, in tough times.

In 2022, Ally received national recognition for our **‘One Ally’ culture** – both as a best place to work and as a culture that cares. Ally continues to be a place people want to work, evidenced by being named

People’s 2022 Companies That Care and Forbes Best Employers for New Grads, Women, and Diversity. Ally was also recently named one of America’s Greatest Workplaces 2023 for Diversity by Newsweek magazine. While we never do it for the accolades, they signify the impact of our “Do it Right” philosophy.



Importantly, our culture does not stay within the four walls of Ally, and this year, we continued to demonstrate **our values in action within our communities.** Ally employees embody our “Do It Right” Values and in 2022, we volunteered over 44,000 hours and supported over 1,700 organizations through grants and volunteerism. Ally recognizes the power of sports as a vehicle to unite communities and inspire change. With a hometown corporate presence in the Motor City (Detroit) and the Queen City (Charlotte), we officially announced a new partnership with the Detroit Pistons, and a renewed partnership with the Charlotte Hornets building on the momentum we’ve experienced with Charlotte FC as their lead sponsor. Ally plans to leverage these partnerships to make a positive impact on the communities where our employees work and live while enhancing the overall fan experience.

I am extremely proud of how our team managed through a constantly changing operating environment in 2022. Ally’s long-term strategy remains intact as we navigate an evolving macroeconomic landscape in 2023. In this year’s letter, I’ll highlight the accomplishments of our leading businesses, powered by our employees, culture, and strategic priorities.

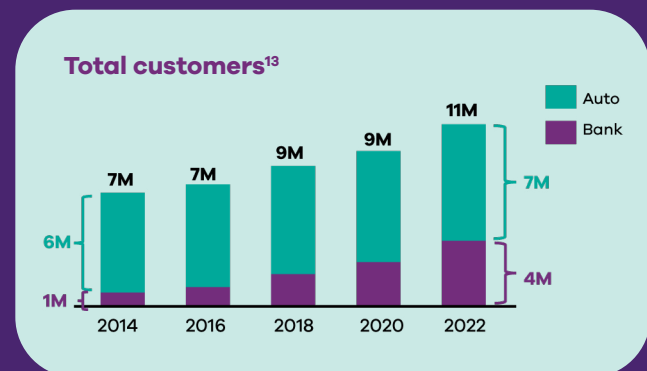
# Leading, growing businesses.

Ally's **auto finance business** remains a leader in the industry, demonstrated by our strength and scale. Our leading position is backed by our comprehensive product suite, full credit-spectrum underwriting, century-long expertise, high-tech & high-touch approach, and through the cycle customer service for our dealer and consumer customers. We continued to expand dealer relationships<sup>8</sup> for the 13th consecutive year, now over 23 thousand, as part of a deliberate focus on deepening customer relationships. Our strategy to expand our market reach and offer comprehensive products was well-positioned for the market trends in 2022. As new vehicle production slowed, demand for used cars has been robust. The benefits of our scale and depth of application flow positioned Ally to generate \$46.4 billion in consumer origination volume sourced from 12.5 million applications during 2022.

In 2022, the strength of our dealer relationships and pricing posture enabled the business to generate compelling risk adjusted yields. In total, we put nearly 400 basis points of price into the market, largely in line with changes in the Fed Funds rate. A key driver of this overall yield expansion has been our strategic shift to the intersection of prime<sup>9</sup> and used. Several years ago, we began focusing more heavily on the used market and reducing our concentration in super prime, which generally has lower returns. Used vehicles made up 65% of consumer originations in 2022 and offer attractive marginal returns despite the slightly higher loss content. 97 basis points of 2022 full-year net-charge offs<sup>10</sup> were in-line with our expectations. Underwriting credit is a core competency of ours, and the investments we've continued to make in risk management position us well to navigate this fluid environment and continue delivering strong risk-adjusted returns through the cycle.

Our **insurance** business complements our dealer and consumer value proposition and generated solid results in 2022, posting written premium volume in excess of \$1 billion for the 5th year in a row. Looking ahead, our insurance team continues to remain focused on delivering superior customer service, growing and optimizing our product offerings, and leveraging synergies with the auto finance business to drive organic growth through an integrated dealer and customer-centric approach, focused on delivering assistive F&I training, comprehensive products and robust customer service and claims adjudication.

At **Ally Bank**, we saw continued growth and momentum across each of our consumer and commercial offerings. Ally Bank has firmly established a reputation as a leading, growing digital disruptor. We truly believe we built the bank of the future – our franchise was predicated on the mission to be a better bank for consumers, and this direct bank model has resonated with our customers as consumer preferences have evolved over the past decade. Ally Bank's growth provides strength to our balance sheet and competitive positioning. Retail deposits have grown \$90 billion and we've grown customers from 1 million to over 4 million since 2014<sup>11</sup> and maintain a 96% customer retention rate. Deposits continue to serve as the primary gateway to our other banking products which enhance brand loyalty, drive engagement, and deepen customer relationships. Our total multi-product customer base has grown to over 256 thousand customers,<sup>12</sup> representing 10% penetration of our primary, active depositors.



<sup>8</sup> Active U.S. Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

<sup>9</sup> Prime defined as 620-719 FICO segment.

<sup>10</sup> Net charge-off ratios are calculated as annualized net charge-offs divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held for sale.

<sup>11</sup> Ally bank customers include Depositors, Ally Home DTC Mortgage, Ally Invest, Ally Lending and Ally Credit Card.

<sup>12</sup> Deposit customers with an Ally Home, Ally Invest, or Ally Credit Card relationship.

<sup>13</sup> Customers include on-balance sheet Auto, U.S. and Canadian Insurance, active Depositors, on-balance sheet Ally Home DTC Mortgage, Ally Lending, Ally Invest and Ally Credit Card.

Within **Ally Home**, we generated originations of \$3.3 billion in 2022, a decrease compared to the prior year reflecting the changing market dynamics of the business as we exited the refinance mortgage cycle. That said, we have built a solid foundation to focus on strengthening the customer experience, with Ally Home providing several competitive advantages to mortgage customers through Ally's brand promise. Our digital platform provides a seamless digital mortgage experience, available 24/7, that uses industry-leading technology to get customers pre-approved in as little as 3 minutes. Our streamlined process features no lender fees, more transparency, and less paper. Additionally, our partnership model isolates us from the operating volatility impacting other mortgage originators.

**Ally Invest** demonstrated solid results as active funded accounts grew to over 518 thousand with over 70% of new accounts coming from existing Ally Bank customers. Ally Invest assets ended the year at approximately \$13 billion. In 2022, we launched wealth management, a holistic advisory solution with dedicated, human advisors. With low fees and minimums, our offering reduces the barriers to entry and is an important step in the democratization of investing.

**Ally Lending's** point-of-sale offerings continued to generate compelling results. In 2022, gross originations grew by over 70% totaling \$2.1 billion. This growth has been driven by expansion into home improvement lending and momentum in the healthcare lending vertical. As we look ahead, we are encouraged by the opportunities for accretive growth in this business.

**Corporate Finance** has continued to post solid results and growth trends. The franchise has an over 20-year demonstrated track record of success managing several business verticals through multiple credit cycles. The team has experienced an annual growth rate of 20% over the past five years, and in 2022, the portfolio eclipsed \$10 billion in outstanding held-for-investment loans, with growth primarily coming from asset-based lending, while also continuing to generate strong risk-adjusted returns.

Ally added **Credit Card** into our consumer lending offering in late 2021 through the acquisition of Fair Square Financial. This acquisition provided the basis to deliver credit card products to our customers and rapidly accelerate the pace towards a profitable business line. We firmly believe that there is an underserved segment of middle-class Americans, and that the business has a long runway ahead. Since the acquisition, the Fair Square team has seamlessly integrated into our culture and operations evidenced by the solid momentum in customer and balance growth with over 1 million active cardholders and \$1.6 billion in outstanding balances.

Notably, in November, Ally reached a key milestone in the Ally Credit Card integration and launched three credit cards. The new credit cards, which include the Ally Platinum Mastercard, the Ally Everyday Cash Back Mastercard, and the Ally Unlimited Cash Back Mastercard, complement Ally's existing suite of products and align with our strategy to be the leading full-service digital bank.



# Powered by technology.

As a **leader in digital financial services**, every aspect of our customer and employee experience is powered by technology. Technology enables our businesses to scale and provide a full suite of solutions to meet customers' needs.

In 2022, we continued to invest across cyber security, engineering, and data. With an **'essentialism'** approach to technology investment, each year we aim to shift investment and resources from 'running the business' to 'growing the business'. With each technology investment, we are deepening value for our customers and those that serve them.

Cyber security threats continue to gain in velocity, volume, and sophistication. We are relentlessly focused on advancing protections and proactively preventing attacks to keep our customers, dealers, and employees safe. We embrace a **'find it first'** mindset where employees are encouraged to quickly raise and resolve risks that could become issues.

We're building our technology through a platform lens to enhance customer experiences and enterprise capabilities. With platforms, such as SmartAuction, Ally has commercialized technology, enabling revenue expansion. In 2022, Ally continued to build application programming interfaces (APIs) that allow internal and external partners and developers to tap into the power of our platforms.

Leveraging our underlying platforms, we're focused on building seamless customer experiences across all channels. We've been on a journey to unify customer experiences so they engage with us as **'One Ally.'** In 2022, Mortgage was integrated into Ally's Banking mobile and web experience alongside deposit and invest capabilities. We continue to innovate on behalf of our customers to be an ally throughout their financial journey. **Inclusive and accessible design remains a top priority.**



Ally's secure, cloud-based data and analytical platforms provide the scale to deliver a wide-range of frictionless products, services and experiences. Harnessing data from digital interactions serves as a feedback loop to continue advancing the overall customer experience. It also fuels artificial intelligence powered use cases such as Ally Assist which addresses customer needs quickly and efficiently through our digital capabilities.

## Fostering a culture of inclusiveness in technology

Ally has launched two diversity-focused groups that explore the obstacles to inclusivity that exist specifically within the technology industry. The first is Women in Technology (WiT), an organization committed to LEADing Ally as a best-in class workplace by developing and nurturing a pipeline of women leaders and creating an environment where women will thrive. The second is Black and Brown in Technology (BBiT), which advocates for the development, retention and hiring of black and brown people within the Technology organization to ensure we represent the customers that we serve and support our black and brown employees. Our objective is to foster a workplace environment where diverse perspectives are valued and all employees have a sense of belonging.

Underpinning our technology ecosystem is modernized infrastructure that provides a reliable and secure foundation. In 2022, we overhauled our network infrastructure and launched a software-defined network that increased bandwidth, reduced latency, and bolstered security. We also rearchitected critical customer-facing platforms for higher resiliency and availability ensuring our customers can reach us when they need to.

While we want our infrastructure fast, we also want our people to be able to move fast. In 2022, Ally's technology operating model (ATOM) underwent transformation that positions us to bring features to customers sooner, while ensuring robust quality and security. Our engineers doubled the number of applications using our development, security, and operations (DevSecOps) pipelines and leveraged more automation across our delivery processes.

Ally's Tech Labs continues to **See Around Corners** to apply emerging technology to Ally's businesses. In 2022, Tech Labs partnered with several functions and businesses to deliver customer facing capabilities at startup speed. We strive to foster an **Inclusive and Learn-It-All Culture** where a growth mindset is nurtured. All employees are welcome to join any of our 19 communities of practice, ranging from data science to observability. Ally's Tech Academy launched in 2022 and is an internal program that provides technology bootcamps, leadership development, and self-paced learning capabilities to employees.

**Ally's technologists know they have an important role in sharing their knowledge with our community and industry. In 2022, we had over 75 employees speak externally, published 10 Ally Tech blogs, and positively impacted over 3,000 lives in our work to Bridge the Digital Divide.**

## Bridging the Digital Divide

Ally's Bridging the Digital Divide (BDD) program seeks to help close the digital equity gap for minority and underserved communities. BDD grew by leaps and bounds in 2022. Since its inception in 2021, Ally has impacted nearly 4,000 lives in Detroit and Charlotte by focusing on three strategic pillars. The first pillar is **Access**, which provides resources to enable communities to have digital equity. In 2022, Ally supported MeckTeck to help distribute 20,000 free laptops to Charlotte Mecklenburg County adults. The second pillar is **Advancement**, which helps those in underserved communities with career opportunities in the technology field. Through the Technically Speaking program, we educated 300 individuals on topics ranging from the power of data to the available professional career paths in technology. The final pillar is **Opportunities**, which focuses on creating a diverse talent pipeline by hiring from underserved communities. Ally hired 60 individuals through this partnership with Road to Hire Apprenticeship Program and Stiegler EdTech Career Technology Apprenticeship.



Additional insights from Ally's technology team [here](#).



## Bringing “Do It Right” to life.

At Ally, marketing is a strategic investment designed to drive unprecedented growth and disruptive consumer engagement. Throughout the course of 2022, the Ally brand delivered on that investment through purpose-driven, “Do It Right” programs.

In 2021, Ally became the first banking partner for the National Women’s Soccer League (NWSL). In the wake of a destabilizing abuse scandal, we were the first brand to double down on our commitment to ensure a safer sport. But, our commitment to women’s sports didn’t end there.

In May 2022, we announced our **50/50 pledge**, a commitment to reach equal spending in paid advertising across women’s and men’s sports programming over the next five years. The pledge was followed by the launch of “Watch the Game, Change the Game,” a national advocacy initiative aimed at rallying viewership of women’s competitions. An average of 915 thousand viewers tuned in to watch the Portland Thorns collect their third National Women’s Soccer League Championship, a 71% increase over last year’s audience.

The effort, in just six short months, catapulted our business in awareness and likeability, driving tremendous growth in our female customers. We also became a cultural catalyst for change. Through Ally’s lobbying and media optimization efforts, the first championship game in women’s sports aired in primetime on a major network and set a record for the most-watched game in league history. Many other brands have stepped up to invest and join us in making a difference.

**Andrea Brimmer,**  
Chief Marketing and  
Public Relations Officer



This investment wasn't just the right thing to do; it makes great business sense. Research shows a strong correlation between sports and women's success as business leaders: 94% of women executives have a background in sports, with over half playing at university levels. We are building the next generation of business leaders by using our platform to create meaningful change in the world.

Throughout 2022, we continued our **groundbreaking Milestone Initiative**, Ally's collaboration with DC Comics and Warner Bros. Discovery focused on creating more opportunities for Black and diverse storytellers. The initiative launched in late 2021 to identify, recruit and mentor diverse creative talent and create authentic new stories and characters through a hands-on program. In one year, Ally and our partners changed the lives of 24 diverse comic storytellers through creative mentorship and financial education, paving a pathway for bright careers and generational wealth.

In the past year, Ally also partnered with music creator platform United Masters to foster relationships between independent diverse artists and major brands. Ally's support of United Masters empowers more creators to take control of their financial journey, creating access and offering the financial tools and education that drive long-term success. At this intersection of art and technology, Ally consistently finds unique, compelling ways to give people the tools to chase their dreams and find success.

These efforts, along with many others, delivered strong business growth last year. 2022 saw the highest year-over-year growth of Ally's category brand awareness, which was approximately seven times higher than our average. We also grew consideration for the Ally brand by 20% during 2022 and reached 85% customer satisfaction, and we were the **first and only financial services brand to ever appear on Fast Company's Brands That Matter list in 2022.**

Ally carries the momentum into the future by focusing on customers and building a financial services brand that truly serves.



Watch the Game,  
Change the Game.  
[Watch video here.](#)



## Get culture right, the rest follows.

Ally's culture and **"Do it Right"** approach is at the core of everything we do. This is demonstrated in the innovative and differentiated products delivered to our customers and actions taken to drive positive and lasting change in the communities where we live and serve. Our principles are built upon the foundation of our **LEAD** core values that guide our decisions and drive our actions. Our culture and values challenge our teammates and partners to focus relentlessly on driving enhanced value for all our stakeholders. Our value system drives us to tirelessly bring innovative, seamless, and relevant products and services to our customers with the primary objective to improve their financial well-being. I believe that our culture is a competitive advantage and an essential component of Ally's winning equation.

Ally is firmly committed to diversity, equity and inclusion (DE&I), and we believe the best ideas come from a collective mixture of different voices and perspectives. We are an equal opportunity employer, and we strive for an inclusive work environment where all backgrounds, experiences, interests, viewpoints, and skills are respected, appreciated, and encouraged, consistent with our culture. We are focused on diverse representation and retention in the workforce including different genders, races, nationalities, sexual orientations, and other identities—across all levels of the organization from entry to leadership. Fostering these diverse perspectives is important and are the backbone of our culture.



### Look externally

We strive to meet and exceed the needs of our customers with agility, speed, and innovation. We lead the marketplace by continually evolving, responding quickly and delivering our customers a superior experience.



### Execute with excellence

Good enough is never enough. With a focus on continuous improvement, our actions are driven by sound analysis and an intense focus on excellence.



### Act with professionalism

We operate with integrity, hold ourselves and each other accountable, treat others with respect and embrace diversity and inclusion. This is the cornerstone to our long-term success and at the very foundation of what it means to be an Ally.



### Deliver results

We are passionate about winning — for our customers, our teams and our company. Success is measured at both the outcome and the path to achieve it.



Notably, our company-wide engagement survey score for belonging is consistently rated over the financial services industry benchmark and was eight points above in 2022, as measured by a third-party provider. The importance of DE&I starts at the top with our senior management team and Board, who consistently stress the value in leveraging our differences. We believe our commitment to DE&I makes us better and benefits our various stakeholders culturally, operationally, and financially.

We take deliberate steps to weave DE&I through the entire employee lifecycle. With this approach, we have been able to build on our inclusive culture to celebrate the different perspectives that our employees bring to the workplace. In 2022, we held learning sessions focused on educating our employees on the impacts of systemic barriers to equity facing a wide-range of diverse communities. We also implemented unconscious bias mitigation and awareness training to help leaders across the organization understand the impacts of unconscious bias on our decision-making processes. Every employee has a specific culture-related performance objective, which includes a strong focus on DE&I. Additionally, for all executive leaders, annual performance objectives and reviews include a specific focus on representation and diversity trends within the workforce. The importance of DE&I is consistently reinforced by executive leadership through town hall meetings, employee communications, and active participation in and sponsorship of our employee resource groups (ERGs). A diverse and inclusive workforce makes us stronger, more agile, more innovative, and more adaptable.

## Workplace accolades



# Employee resource groups (ERGs).

We maintain eight ERGs sponsored by members of Ally's Executive Council and chaired by leaders from multiple levels of management across Ally. This July, Ally celebrated the 5-year anniversary of these ERGs, which were created to recognize and embrace our differences that make us stronger. On the fifth anniversary, Ally's eight ERGs have grown and matured with **more than 50% of teammates now part of at least one group.**

Since 2017, the ERGs have welcomed numerous guest speakers, held Lunch & Learns and 'Let's Talk About It' sessions, and given back in our communities. Through dedicated focus months, each ERG has a chance to step into the spotlight and highlight themes driving them and invite others to connect and engage.

All ERGs have always been and remain open to not only those who identify, but also allies who support their fellow teammates.

**Aliados (Hispanics/Latinos)**

**AME (Asian/Middle Eastern)**

**BAA (Black/African American)**

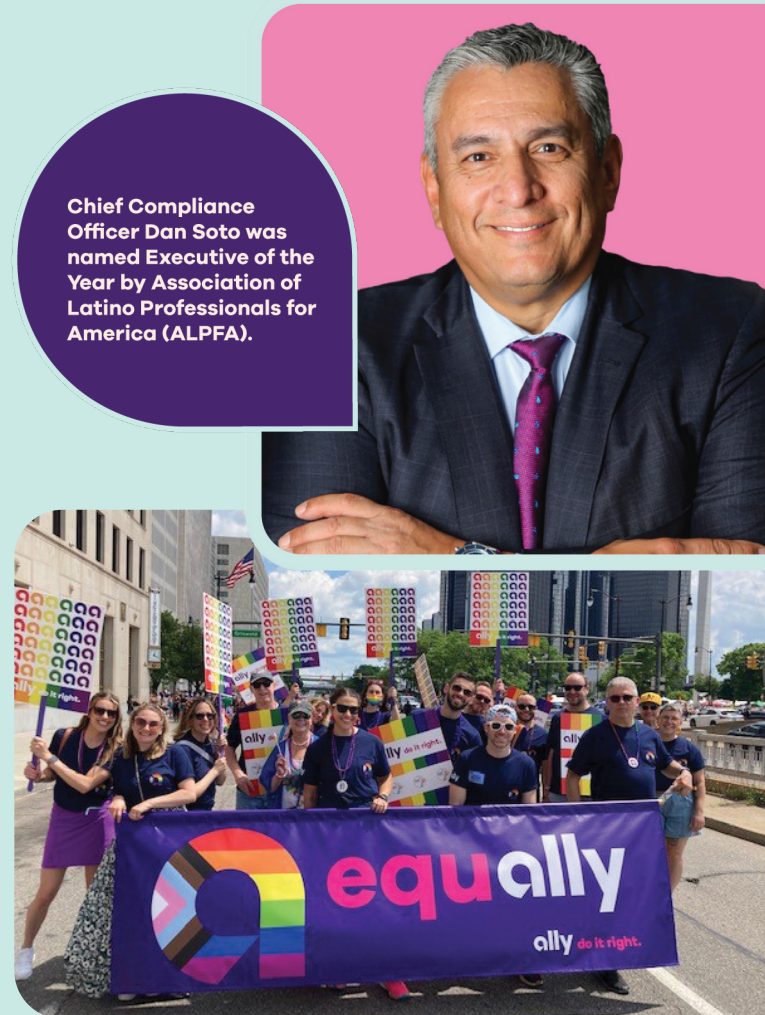
**Diverse Abilities**

**Generational ALLYs**

**Pride ALLYs**

**Veteran ALLYs**

**Women ALLYs**



## ERG engagement

50%



of employees are a member of at least one ERG



228

ERG events held in 2022

27%



of employees are members of multiple ERGs

Generational ALLYs

largest member growth in 2022

449 employees



Women ALLYs



Most members

24%

of total employee population

### The average ERG member:



Is more likely to recommend Ally as an employer



Has a greater sense of "belonging"

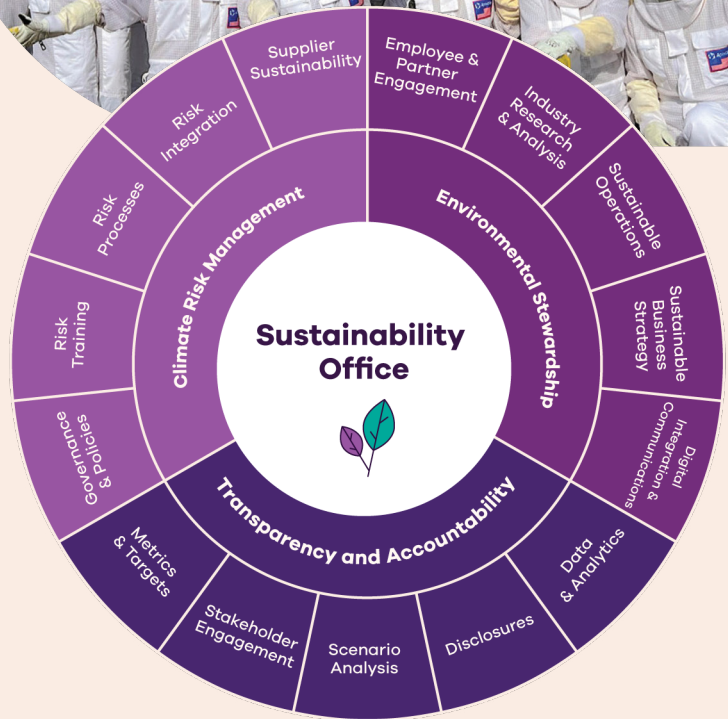


# Committed to environmental sustainability.

At Ally, we recognize that a healthy environment is critical for a productive and equitable society that supports the well-being of all our stakeholders – our customers, employees, shareholders, suppliers and community partners. Being an environmentally responsible company requires us to continue to build sustainability practices into the cultural fabric of Ally, with a focus on managing our own environmental footprint, educating and encouraging our stakeholders to do the same, and taking action to facilitate the transition to a low-carbon economy. These actions will result in lower costs, lower risk and increased opportunities. But beyond that, it is the right thing to do to ensure a common future for all.

As the Ally Sustainability Office entered its first full calendar year, the team focused on building out its programs and processes across the core areas of Climate Risk Management, Environmental Stewardship and Transparency and Accountability. To drive towards consistency with climate disclosures, **initiatives have been organized in alignment with the recommendations of the Task Force for Climate-Related Disclosures (TCFD)** across Governance, Strategy, Risk Management and Metrics and Targets.

In 2022, Ally made progress toward this new direction. **We are proud to have completed our second annual emissions calculation and submitted our response to CDP** (formerly known as Carbon Disclosure Project), continuing our commitment to the transparency of our environmental impact. Our results again highlight the benefit of Ally’s digital bank model that produces a smaller carbon footprint when compared to traditional brick and mortar financial service providers, and we are working to be (even) better as we focus on delivering more sustainable operations. Our baseline emissions calculation provides valuable insights as to potential opportunities for reduction strategies that align



with the recommendations from the TCFD and improve our environmental performance metrics.

We are committed to operating our business responsibly, understanding that doing so will help us create long-term, sustainable value for our stakeholders and society. With an established baseline for our environmental performance metrics, we continue to work towards lowering our energy and emissions impact on the environment and are prioritizing opportunities to reduce water consumption and divert waste from landfills.

Based on guidance provided by TCFD, Ally has taken steps to formalize our approach to climate risk management and evaluate how best to integrate these risks into our existing, robust risk management framework. We conducted an initial review to identify the most likely transmission channels for climate-related physical and transition risks that could impact Ally and we began evaluating the extent to which climate risks could impact our business through scenario analysis. We are working strategically to integrate climate-related insights into our decision-making and striving to help our customers and suppliers do the same.

## 2022 highlights



**Carbon Neutrality** - Achieved operational carbon neutrality for Scope 1 and Scope 2 emissions for the 2nd consecutive year



**LEED Certification** - Reached 40% LEED certification, exceeding our 30% target



**Green Team** - Grew the Green Teams, a network of Ally volunteers dedicated to environmental service making an impact within local communities



**WELL Certification** - Occupy 33% WELL certified space

**Other highlights in 2022** include hosting numerous internal educational events to bolster awareness of environmental sustainability across the Enterprise and expanding Green Teams, a network of Ally volunteers dedicated to environmental service. Through intentional focus across all areas of conservation – Land, Water Use, Community Impact, Air Quality, Biodiversity and Recycling – Ally has established several strategic partnerships within our communities, hosting volunteer events and innovative programming throughout the year.

We are proud of the accomplishments made towards greener operations and the impact we're making in the community. As we evolve, we will further mature our processes, adapting and adjusting accordingly to create real impact for our customers, employees, and communities, as evidenced in 2022 through our significant community investments and environmental and social activities.



## Belle Isle Conservancy

We formed a partnership with the Belle Isle Conservancy to support the work they do within the community to protect, preserve, restore, and enhance Belle Isle Park in Detroit. As part of our partnership we organized a Green Teams Day of Service focused on a beach cleanup, resulting in 250 pounds of trash collected. Additionally, at the Belle Isle Aquarium, America's oldest aquarium and a favorite local attraction since 1904, Ally sponsored the Axolotl Tank. Axolotls are an indicator species which are critical to evaluating the vitality of a given ecosystem. With over 175,000 visitors each year, the aquarium offers high-quality environmental education programs to the community and local schools. Ally shares Belle Isle's passion to educate all generations on the importance of environmental conservation to ensure a sustainable future.

## Green Teams in action

Hosted **40+** Engagement events

**1,000 lbs** E-waste recycled

**1st** Recognition of Earth Month

Collected **2,250 lbs** of trash

Planted and distributed **415 Trees**

Served over **2,300** volunteer hours

# Strategic priorities.

Our solid performance in 2022 was a result of consistent execution of our long-term priorities for several years.

We have built a leading digital financial services company and we continue to expand and enhance our frictionless, customer-centric digital offerings. We believe our range of innovative and competitive products, unique brand, and commitment to “Do It Right” for our customers is a simple, compelling value proposition to our customers.

Ally's strong foundation and operating results are underpinned by the combination of our established financial services capabilities, seasoned operators, disciplined risk management approach, proven ability to adapt and deep-rooted digital-DNA. These factors have served as key elements of our execution over the past decade and position us to continue delivering results in the years ahead.

## We remain committed to the continued execution of our long-term strategic priorities that have served us well over the past several years:

- 1** Differentiate our company as a relentless ally for financial well-being for consumer and commercial customers
- 2** Leverage our “Do it Right” culture to drive enhanced value for our customers, communities, employees and shareholders
- 3** Grow and diversify our leading auto, insurance and digital-bank platforms through increased scale and expanded product solutions to meet customer needs
- 4** Drive ongoing customer growth and relationship deepening
- 5** Operate under efficient, disciplined risk management and capital allocation approaches
- 6** Out-execute our competition and create differentiated advantages through continuous investment and evolution among our leading experiences, products and brand
- 7** Deliver long-term value through sustainable financial results and shareholder returns

# Do it right



**Looking ahead**, we certainly recognize the dynamic environment we're navigating in 2023 and the impact that will have on our industry. While we're focused on delivering against our long-term strategic priorities, I want to share what's top of mind for me in the near-term.

First and foremost, I'm focused on strong credit risk management – underwriting and managing credit risk is our core competency and the investments we've made in risk management position us well to navigate this fluid environment. Cyber defense is another top priority and we're committed to doing whatever it takes to protect our customers from external threats. A strong commitment to executing against our long-term strategic priorities with an essentialism mindset positioning us to drive operating efficiencies over time and continue generating long-term shareholder value. And finally, now more than ever, we must live our name and be an ally to our dealer, corporate finance, and consumer customers, as well as to our people – nurturing our purpose driven culture is even more important during periods of heightened uncertainty.

Our purpose drives essentialism, essentialism feeds our efforts to See Around Corners and Embrace Disruptive Forces. That in turn drives our execution to Be (Even) Better and brings us back to our purpose to "Do It Right" for all stakeholders.

In closing, I want to thank Ally's 11,600 employees, as well as our Board of Directors, partners, customers and shareholders. I am confident in Ally's ability to execute and am proud of our teammates' contributions to a solid 2022. Staying true to our company's culture has enabled us to successfully grow through various economic environments in the past, and the challenges we'll face in 2023 are opportunities to make us stronger, better and more aligned with our purpose. We've built a sustainable business model and have demonstrated a proven ability to deliver against our long-term priorities, and I'm confident in our ability to continue delivering for all stakeholders in the years ahead underpinned by prudent, focused execution.

A handwritten signature in black ink, appearing to read "Jeffrey J. Brown".

Jeffrey J. Brown,  
Chief Executive Officer

# 2022 Financial results.

In 2022, Ally strengthened its position as a market leading, diversified company and delivered another year of solid financial results as we executed against our long-term strategic priorities.

Net income attributable to common shareholders was \$1.6 billion in 2022, compared to \$3.0 billion in 2021, as higher provision for credit losses, higher noninterest expense, and lower other revenue outweighed higher net interest income. Net financing revenue improved to \$6.9 billion, up \$0.7 billion from the prior year, driven by accretive balance sheet growth and expanded earning asset yields, partially offset by higher funding costs.

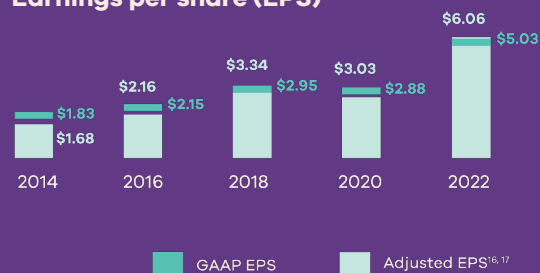
Full year NIM was 3.85%, including Core OID of 3 bps, up 31 bps year-over-year. Excluding Core OID, NIM was 3.88%<sup>14</sup>, up 32 bps year-over-year. Provision for credit losses increased \$1.2 billion over the prior year, due to higher net charge offs as credit normalizes off historic lows as well as reserve releases in the prior year.

Other revenue was down \$461 million year-over-year, including a \$215 million decrease in the fair value of equity securities in the year, compared to a \$7 million decrease in the fair value of equity securities in 2021. Other revenue, excluding the impact of the change in fair value of equity securities<sup>15</sup>, was down \$384 million to \$1.8 billion, reflecting continued momentum in fee income business like SmartAuction, but lower realized gains given broader market trends.

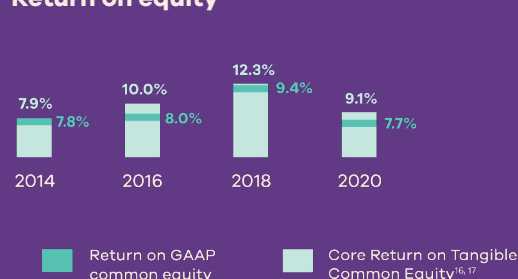
Noninterest expense increased \$577 million over the prior year, largely due to continued investments within Ally's growing businesses, brand and technology.

We will continue to build on these successes and are focused on disciplined business execution and on delivering against our long-term strategic priorities to drive long-term value for all stakeholders.

## Earnings per share (EPS)



## Return on equity



<sup>14</sup> Calculated using a non-GAAP financial measure. Refer to the 2022 Financial Tables later in this document for a Reconciliation to GAAP.

<sup>15</sup> Adjusted other revenue is a non-GAAP financial measure. Equity fair value adjustments related to ASU 2016-01 requires change in the fair value of equity securities to be recognized in current period net income as compared to periods prior to 1/1/18 in which such adjustments were recognized through other comprehensive income, a component of equity.

<sup>16</sup> The following are non-GAAP financial measures which Ally believes are important to the reader of the Consolidated Financial Statements, but which are supplemental to and not a substitute for GAAP measures: Adjusted earnings per share (Adjusted EPS), Core pre-tax income (loss), Core pre-provision net revenue (Core PPNR), Core net income (loss) attributable to common shareholders, Core return on tangible common equity (Core ROTCE), Adjusted total net revenue, Net financing revenue (excluding Core OID), Adjusted other revenue, Adjusted noninterest expense, Core original issue discount (Core OID) amortization expense, Core outstanding original issue discount balance (Core OID balance), and Adjusted tangible book value per share (Adjusted TBVPS). These measures are used by management, and we believe are useful to investors in assessing the company's operating performance and capital.

<sup>17</sup> Represents a non-GAAP financial measure. Refer to the 2021 Financial Tables later in this document for a Reconciliation to GAAP.





## Automotive finance.

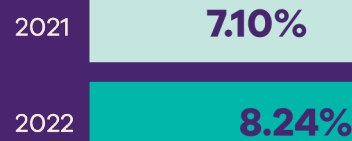
The Auto team delivered strong results in 2022 and demonstrated a measured approach amid a historic interest rate environment and as persistent supply constraints began to normalize. The Ally team continued to focus on relationship deepening and optimization of the business.

Full-year 2022 pre-tax income of \$2.3 billion was down \$1.1 billion due to higher provision for credit losses and higher noninterest expense. Full-year retail auto charge-offs increased 66 bps year-over-year to 97 bps as credit normalizes from historic lows as well as a modest build in reserve levels.

Ally's focus on deepening dealer relationships and years-long efforts to increase application volume, coupled with enhancements in digital capabilities positioned us to generate \$46.4 billion in consumer loans and leases in 2022 while maintaining a consistent credit origination profile. The strength in consumer auto originations partially offset the continued headwind from a slow rebound in floorplan balances driven by market conditions.

**"Ally continues to drive deeper dealer relationships, with applications of 12.5 million across more than 23,000 dealers<sup>18</sup>."**

### Estimated retail auto originated yield<sup>19</sup>



Consumer originations increased \$0.1 billion in 2022 to \$46.4 billion, with used volume of \$30.1 billion, or 65% of total 2022 originations, \$12.6 billion of new retail volume and \$3.7 billion of leases. Estimated retail auto originated yield was 8.24%<sup>19</sup> in 2022 compared to 7.10% in 2021 primarily driven by the increase in benchmark interest rates.

Broadly, the auto team continues to realize the benefits of our leading, agile platform underpinned by a high-tech and high-tough model. Consistent application flow, driven by stable and growing dealer relationships, enables Ally to be selective in what we approve and originate. We have unwavering focus on high-impact strategies that align to our core strengths, and we remain well-positioned to deliver.

<sup>18</sup> 'Active US Dealers' defined as all dealers who utilize one or more of Ally's products including consumer & commercial lending, SmartAuction or Commercial Services Group and excludes RV Commercial & Consumer lines of business exited in 2Q 2018.

<sup>19</sup> Estimated retail auto originated yield is a financial measure determined by calculating the estimated average annualized yield for loans originated during that period. At this time, there currently is no comparable GAAP financial measure for Estimated Retail Auto Originated Yield and therefore this forecasted estimate of yield at the time of origination cannot be quantitatively reconciled to comparable GAAP information.

## Insurance.

Ally's Insurance business offers consumer financial protection products sold primarily through the automotive dealer channel in the United States and Canada and is a leading provider of commercial insurance products sold directly to dealers throughout the United States. We serve approximately 3.0 million consumer customers and have approximately 4,600 dealer relationships. Our insurance franchise is deeply integrated with our auto finance business enhancing our value proposition to our vast dealer network by expanding the suite of consumer protection products dealers can offer their customers and by providing valuable insurance products to dealers that protect their business.

The insurance business posted another strong year, with enhanced collaboration across Auto Finance, strengthening a unified dealer value proposition. Total net written premiums reached \$1.1 billion, which represented the fifth consecutive year above \$1 billion. Notably, the business experienced the lowest weather losses since our 2014 IPO, reflecting lower weather activity and strong mitigation efforts during Hurricane Ian. Going forward, we remain focused on leveraging our significant dealer network and holistic offerings to drive further integration of insurance across auto finance.

## Corporate finance.

Ally's corporate finance team has over 20-years of demonstrated success throughout multiple business and credit cycles. Full-year 2022 pretax income of \$282 million was flat year-over-year as higher revenue was offset by elevated noninterest expense to support asset growth. The held for investment portfolio reached \$10.1 billion.

Corporate Finance's portfolio continues to perform well, reflecting the team's disciplined approach to underwriting and servicing. The loan portfolio is diversified across industries, with asset-based loans comprising 59% of the portfolio and a first-lien position in virtually 100% of exposures.

### Insurance



approximately 3.0 million consumer customers



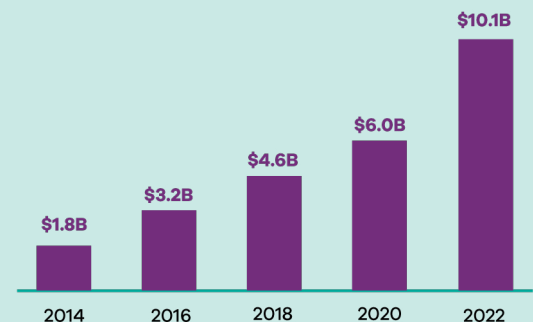
approximately 4,600 dealer relationships

## Mortgage finance.

Full year 2022 pre-tax income was \$55 million, up \$23 million from 2021, as higher net interest income due to lower premium amortization was partially offset by lower gain on sale activity. Direct-to-consumer originations totaled \$3.3 billion in 2022, down \$7.2 billion year-over-year, reflecting broader market conditions. Customer engagement remained strong in 2022 with 52% of our originations sourced from existing Ally Bank depositors, further underscoring the significance of our growing multi-product relationships.

### Corporate finance

Held for investment loans



# Our values in action.

## LEADing the way awards

The LEADing the Way Awards celebrate the employees who embody our LEAD core values by being true champions of Ally's winning culture, by going above and beyond in their every day, and by fulfilling Ally's purpose to "Do It Right".

### LEAD award employee spotlight



**Tylin S.**  
**Auto – Director, Sales Operations**

Tylin has spearheaded significant growth opportunities and Finance and Insurance product launches this year. He is considered the subject matter expert of his peer group and has quickly established himself as a leader. He provides outstanding customer experience for some of Ally's largest dealer groups and is widely recognized by dealers who participate in Ally structured insurance plans as a trusted advisor. Tylin goes above and beyond to provide excellent customer service to dealers and built a strong bridge between multiple matrix partners across auto and insurance to drive financial results that are favorable for Ally. His teammates are equally effusive in their praise of his involvement in driving the team's insurance results, and his total commitment to Ally's culture is reflected in his willingness to accept his role as the PRIDE small site co-lead.



**Samantha N.**  
**Ally Invest – Director, Wealth Management**

Samantha was the lead product owner in defining, building and executing the delivery of Wealth Management. She has an exceptional reputation as a thoughtful, driven, and collaborative leader with an expertise that is unique to Ally. She is frequently nominated for I'm an Ally by her peers and other leaders, and has built strong relationships across Ally during the Wealth buildout. She is highly focused on Ally's culture and DE&I, taking a lead role with the Black/African American this year. She was also recently awarded the 50 Under 50 award by the Association of African American Financial Advisors.



**Lee W.**  
**Technology – Fellow, Architecture**

Lee leads the digital architecture team. He is a technical expert of the highest order and is constantly sought out for his knowledge. Lee's fingerprints are on every major strategic technology initiative from Cloud, API, Single Pane of Glass, Architecting for Future Growth, and Digital. More than his aptitude, Ally recognizes him for his attitude. He always finds a way to get to a yes. He always leans in to support his peers and partners across the company to advance Ally's Company Platform strategy and Tech labs.



**Carey B.**  
**Technology - Senior Director, Software Engineering**

In 4.5 years at Ally, Carey has been able to make a considerable impact to the technology organization across a number of different applications and platforms. She led the development and build out of Ally's Enterprise API practice while continuing to grow her technology portfolio which includes Account Opening, Ally's Storefront and most recently Credit Card. She is also a Culture Champion, participating in the Women in Technology group, partnering with Women Who Code and serving the community through numerous Ally volunteering events. She's actively involved in Ally's Early Talent programs and was on the Ally Tech Labs Curriculum committee developing a program to onboard and train newly hired employees. Carey embraces the Ally "Do It Right" culture; she is committed to the growth of the organization, and it's drive for innovation. She fosters team building and investing in talent and serves as a mentor to employees across the organization.

# Employees.



**#OwnIt2023** all employees across the enterprise received another #OwnIt grant of 100 shares in January 2023<sup>20</sup>



**Expanded mental health benefits for the whole family** through no cost, enhanced access to counseling sessions and online resources and workshops



**Discretionary contribution of 2% to retirement plans** for all U.S. and Canadian employees. This being the 13th consecutive year of the discretionary contribution for U.S. employees



**Ongoing financial education workshops and free CFPs** to provide tools and resources for employees to promote informed and effective decisions with financial resources



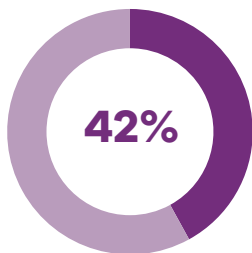
**Enhanced fertility and childbirth support** including elective egg/sperm freezing and certified doulas for pregnancy support



**Expanding LGBTQ+ support** through Inclusive Care including help locating providers and specialists that are educated and trained to address the unique needs of the LGBTQ+ community



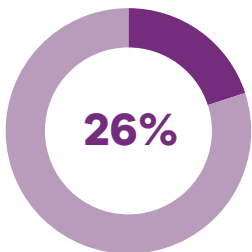
Increased minimum wage to \$23/hr



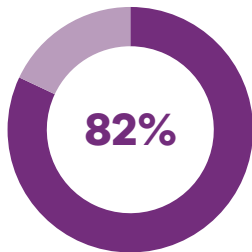
of directors on our board are women or people of color\*



of our executive council are women or people of color\*



of eligible women or people of color were promoted or moved into new roles to advance their career in 2022\*



retention rate for women or people of color in 2022\*

\*Reflects data as of December 31, 2022.



<sup>20</sup>In January 2023, for the fourth consecutive year, we awarded all active, regular Ally employees with 100 restricted stock units, up to a maximum grant date value of \$5,000, subject to a 3-year cliff vesting schedule, in recognition of our notable accomplishments and to support a founder's mentality.

# Customers.



**Introduced CoverDraft**, a free service that further enhances overdraft protection and helps take the stress out of accidental overspending



**Launched Ally Credit Card**, a product that complements Ally's existing suite of offerings and aligns with our strategy to be the leading full-service digital bank



**Launched Wealth**, Ally's new wealth management offering makes dedicated, holistic human advisory more accessible by lowering the barriers to entry



**Launched Early Direct Deposit**, giving customers access to their paycheck up to 2 days early



**Ally Home**: Expanded Ally powered by Better to all 50 states + Washington D.C.



**Launched white-label SmartAuction product**, further enhancing the support of dealer customers



**Insurance: Supported dealers through Hurricane Ian** and several other weather and theft events



**Expanded application passthrough programs**, which offer increased loan opportunity to a more diverse consumer base



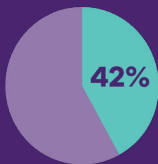
**Servicing**: over 60% of outbound collections managed digitally, and over 50% adoption of online self service tools



**Sold 7,000,000th vehicle** through SmartAuction online wholesale platform

## Highly engaged customer base

### Smart savings tools



42% New customer adoption rate

**3M**

Buckets created since launch

### Multi-product customers



- Deposit customers with an Ally Home, Invest or Credit Card Relationship
- Compounded annual growth rate since 2016

### Smart savings tool users vs. non-users

**2x** More likely to be a multi-product relationship

**2x** Login-in activity

# Communities.

Our approach to community is inclusive and integrates our employees across the organization. We help our employees develop their own skills while serving our communities with their time and talent. We encourage them to utilize eight paid hours per year to volunteer in their communities, and **in 2022, we volunteered approximately 44,000 hours, a record for us.** We also matched our employees donations of time and dollars, resulting in \$2.3 million to hundreds of nonprofit organizations serving our communities. Both of these milestones reflect our culture of giving back.

**Our philanthropic approach is based on a framework of economic mobility.** We support programs that provide opportunities to individuals and families in low-and moderate-income communities with a focus on three areas: affordable housing, financial literacy, and workforce development. We solely funded the Ally Charitable Foundation, a non-consolidated entity, which has approximately \$70 million in assets as of December 31, 2022, to drive positive and lasting impacts in our communities. In 2022, the Ally Charitable Foundation made a grant of \$5 million, to be funded over 5 years, to the Atrium Health Foundation to support equitable opportunities for individuals pursuing careers in healthcare.

Additionally, the Ally Charitable Foundation increased its financial support of Trust-Based Philanthropy, a philanthropic approach that supports extraordinary, grassroots nonprofits led by Black, Hispanic, and Latino individuals. Beyond its financial support, the organizations were provided professional development, technical assistance, and marketing support. One of our largest and most powerful initiatives is **Moguls in the Making**, an annual competition that fosters opportunities for students from Historically Black Colleges and Universities. The annual program was launched in 2019 in collaboration with the Thurgood Marshall College Fund and the Sean Anderson Foundation.



In 2022, we sponsored the fourth Moguls in the Making competition, with 60 students, who brought innovative and impactful solutions to economic mobility challenges. Since the program's inception, we have offered internships to 43 students, which have often led to permanent job placements within Ally or the broader financial-services industry. Additionally, in 2022, we identified an opportunity to support the more than 400 students who were in attendance at the 22nd Thurgood Marshall Leadership Institute, which connects students to organizations seeking diverse talent.

## Thurgood Marshall Leadership Institute

In partnership with the Thurgood Marshall College Fund (TMCF), Ally launched a clothing boutique to give college students from HBCUs the opportunity to prepare for professional interviews and look their best. The idea began as a discussion between Ally's Chief Diversity Officer and several graduates of the Moguls in the Making program who went on to become Ally employees. The one-day event in NYC featured a pop-up boutique stocked with donations of professional clothing from the Ally teams in Charlotte and Detroit and showcased the company's commitment to DEI and preparing students for workforce readiness.

Our financial education approach is focused on providing content and programs to advance economic mobility for individuals and families. We leverage our team members and community partners to teach critical financial skills to assist those who we serve towards their financial goals.

**We committed approximately \$1.1 billion and \$1.5 billion in loans and investments that primarily benefit low- and moderate-income individuals and communities as part of our CRA program during the years ended December 31, 2022, and 2021, respectively.**

### **Ally provides \$5 million gift to Atrium Health Foundation**

The Ally Charitable Foundation pledged a \$5 million gift to Atrium Health Foundation in Charlotte to support equitable opportunities for individuals to pursue careers in healthcare. The gift establishes the Ally Charitable Foundation Workforce Development Center of Excellence as well as the Ally Charitable Foundation Workforce Development Scholarship Fund.

Through the Ally Charitable Foundation Workforce Development Center of Excellence, individuals from marginalized or diverse populations will have access to a variety of career development pathways to seek their education. Existing programs – currently serving more than 1,400 students, 66% of whom are diverse participants – are offered to high school students, Title I high school graduates and current entry-level Atrium Health teammates. Our gift will expand the Atrium Health Foundation's current professional development programming and target individuals who need additional skills to enter a variety of high-paying careers in healthcare.

Our work in the communities is woven throughout our culture. In 2022, we executed on our ongoing commitment of expanding access to capital for Black, Hispanic, and Latino communities by deploying \$33 million in loans and investments specifically to minority- and women-led organizations such as The 22 Fund, BetaBoom, and Raza Development Fund.



These loans and investments are instrumental in providing the financial foundation required to help develop and create more opportunities for the next generation of successful Black, Hispanic, and Latino entrepreneurs, investors, affordable housing developers, and community leaders. We also provided nearly \$1.5 million in grants to 68 nonprofit organizations, including 17 organizations that are either minority-led or supported initiatives targeting primarily Black, Hispanic, and/or Latino individuals.

Additionally, Ally Bank received consecutive “Outstanding” CRA ratings in our last two reviews.

### **Ally commits \$2 million to support and develop Charlotte-area students at Queens University**

Ally provided a \$2 million commitment to support the education for Charlotte-area students from low-income communities and provide career opportunities to help them succeed as future leaders.

The four-year investment in the Queens University Charlotte Talent Initiative (CTI) – part of our ongoing workforce development efforts – will provide full-tuition scholarships, internships, and job placement opportunities upon graduation for students in the Ally cohort. The cohort, which will begin in the 2023 Fall semester, will provide students with computing and data analytics courses, onsite experiences, and access to mentors.

Ally is an inaugural corporate partner for CTI – in addition to providing opportunities to students, this will also allow us to bring in more diverse talent that is representative of our communities and customers.

### **Ally executives in residence at Charlotte Mecklenburg schools**

The Charlotte Executive Leadership Council (CELC) has brought together leaders from top Charlotte area businesses, colleges and universities to advocate for equitable opportunity and solutions that improve the metro area’s economy and quality of life. In 2022, education became a core focus as the CELC partnered with Charlotte Mecklenburg Schools (CMS). The schools were navigating a leadership change and the lingering effects of the pandemic and needed help. Ally CEO and CELC member Jeffrey J. Brown was one of the first to raise his hand. **He offered two Ally executives to work full-time with the district for a full year.**

Ally Executive Director LaShauna Lowry was the first to join. Her objective was to help provide students with tutoring. The pandemic caused students to fall behind, and the CMS school district did not have enough staff to support them all. Lowry worked directly with a third-party tutoring vendor and the district to get the \$50 million endeavor — serving 6,000 students at 42 schools — up and running by October, months earlier than the district would have been able to accomplish on its own.

Ally Chief of Staff for Consumer & Commercial Bank Elizabeth Sterling also joined CMS in 2022 to support critical processes at the executive leadership and strategic levels. Sterling is working with the district to review and evaluate its high-impact processes and routines, including budgeting and strategic planning.

The goal for Sterling and Lowry’s work, along with the other nine local executives on loan, is to design systems and routines to optimize CMS processes through project management, coaching and guidance — providing the district with an effective, efficient and sustainable system for years to come.



# Suppliers.

Ally's Supplier Diversity program focuses on diversity and inclusion amongst our supplier base. The Supplier Diversity program includes a proactive business strategy encouraging the use of diverse suppliers defined as those owned by U.S.-based minorities, women, LGBTQ, veterans, service-disabled veterans and those with disabilities, and small or disadvantaged businesses defined by local, state, or federal classifications.

## Supplier Diversity accolades



### Since the program's inception in 2020, we have made great strides, and the 2022 highlights include:

- Achieved **\$135M** in Tier 1 diverse spend comprised of certified Minority and Women-Owned Business Enterprises, Small Business and classified diverse spend in 2022
- Began addressing Supplier Sustainability for Ally's Supply Chain
- Hosted 2nd annual Supplier Symposium in February 2022 which engaged more than **50** diverse suppliers in a company-wide event focusing on interactive industry breakout sessions, a supplier panel, and discussion with Ally's CEO on DE&I
- Engaged with **100+** prospective diverse suppliers during Ally's 2022 quarterly Spotlight events, intended to increase access and connection for prospective diverse suppliers
- Increased both first-tier diverse spend and our third-party supplier spend by **\$30M** and over **\$50M**, respectively
- Expanded our Tier 2 reporting to include over **100** supplier relationships yielding **150%+** growth in year over-year Tier 2 spend

# 2022 Financial tables and definitions.

## ADJUSTED EARNINGS PER SHARE

(\$ per share)	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>GAAP EPS (diluted)</b>	<b>\$ 5.03</b>	<b>\$ 8.22</b>	<b>\$ 2.88</b>	<b>\$ 4.34</b>	<b>\$ 2.95</b>
Discontinued Operations, Net of Tax	0.00	0.01	0.00	0.02	-
Core OID, Net of tax <sup>1</sup>	0.10	0.08	0.07	0.06	0.16
Change in Fair Value of Equity Securities, Net of Tax <sup>2</sup>	0.53	0.02	(0.06)	(0.18)	0.22
Repositioning Items, Net of Tax <sup>3</sup>	0.19	0.49	0.13	-	-
Significant Discrete Tax Items <sup>4</sup>	0.19	(0.21)	-	(0.51)	-
Capital Actions (Series A & G)	-	-	-	-	-
<b>Adjusted EPS</b>	<b>\$ 6.06</b>	<b>\$ 8.61</b>	<b>\$ 3.03</b>	<b>\$ 3.72</b>	<b>\$ 3.34</b>

## ADJUSTED TANGIBLE BOOK VALUE PER SHARE

(\$ per share)	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>GAAP Shareholder's Equity</b>	<b>\$ 43.0</b>	<b>\$ 50.5</b>	<b>\$ 39.2</b>	<b>\$ 38.5</b>	<b>\$ 32.8</b>
Preferred Equity	(7.8)	(6.9)	-	-	-
Goodwill & Identifiable Intangibles, Net of DTLs	(3.0)	(2.8)	(1.0)	(1.2)	(0.7)
Tangible Common Equity	32.2	40.8	38.2	37.3	32.1
Tax-effected Core OID Balance <sup>5</sup>	(2.2)	(2.1)	(2.2)	(2.2)	(2.1)
Series G Discount	-	-	-	-	-
<b>Adjusted Tangible Book Value Per Share</b>	<b>\$ 30.0</b>	<b>\$ 38.7</b>	<b>\$ 36.1</b>	<b>\$ 35.1</b>	<b>\$ 29.9</b>

## ADJUSTED NON-INTEREST EXPENSE

(\$ millions)		FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>GAAP Noninterest Expense</b>	[z]	<b>\$ 4,687</b>	<b>\$ 4,110</b>	<b>\$ 3,833</b>	<b>\$ 3,429</b>	<b>\$ 3,264</b>
Repositioning		\$ 77	-	\$ 50	-	-
<b>Adjusted NIE (ex. Repositioning)</b>	[c]	<b>\$ 4,610</b>	<b>\$ 4,110</b>	<b>\$ 3,783</b>	<b>\$ 3,429</b>	<b>\$ 3,264</b>

## CORE PRE-PROVISION NET REVENUE

(\$ millions)		FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Pre-Provision Net Revenue</b>	[x]+[y]	<b>\$ 3,741</b>	<b>\$ 4,096</b>	<b>\$ 2,853</b>	<b>\$ 2,965</b>	<b>\$ 2,540</b>
<b>Core Pre-Provision Net Revenue</b>	[a]+[b]	<b>\$ 4,075</b>	<b>\$ 4,271</b>	<b>\$ 2,909</b>	<b>\$ 2,905</b>	<b>\$ 2,747</b>

## ADJUSTED TOTAL NET REVENUE

(\$ millions)		FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>GAAP Net Income Attributable to Common Shareholders</b>	[x]	<b>\$ 6,850</b>	<b>\$ 6,167</b>	<b>\$ 4,703</b>	<b>\$ 4,633</b>	<b>\$ 4,390</b>
Core OID		42	38	36	29	86
<b>Net Financing Revenue (ex. Core OID)</b>	[a]	<b>\$ 6,892</b>	<b>\$ 6,205</b>	<b>\$ 4,739</b>	<b>\$ 4,662</b>	<b>\$ 4,476</b>
<b>GAAP Other Revenue</b>	[y]	<b>\$ 1,578</b>	<b>\$ 2,039</b>	<b>\$ 1,983</b>	<b>\$ 1,761</b>	<b>\$ 1,414</b>
Accelerated OID & Repositioning Items <sup>3</sup>		-	131	-	-	-
Change in Fair Value of Equity Securities <sup>6</sup>		215	7	(29)	(89)	121
<b>Adjusted Other Revenue</b>	[b]	<b>\$ 1,793</b>	<b>\$ 2,177</b>	<b>\$ 1,954</b>	<b>\$ 1,672</b>	<b>\$ 1,535</b>
<b>Adjusted Total Net Revenue</b>		<b>\$ 8,685</b>	<b>\$ 8,381</b>	<b>\$ 6,692</b>	<b>\$ 6,334</b>	<b>\$ 6,011</b>

## CORE RETURN ON TANGIBLE COMMON EQUITY (ROTCE)

(\$ millions)	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>GAAP Net Income Attributable to Common Shareholders</b>	<b>\$ 1,604</b>	<b>\$ 3,003</b>	<b>\$ 1,085</b>	<b>\$ 1,715</b>	<b>\$ 1,263</b>
Discontinued Operations, Net of Tax	1	5	1	6	-
Core OID	42	38	36	29	86
Repositioning Items <sup>3</sup>	77	228	50	-	-
Change in Fair Value of Equity Securities <sup>2</sup>	215	7	(29)	(89)	121
Tax on Core OID, Repositioning Items					
Change in Fair Value of Equity Securities <sup>6</sup>	(70)	(57)	(1)	13	(43)
Significant Discrete Tax Items & Other	61	(78)	-	(201)	-
<b>Core Net Income Attributable to Common Shareholders</b>	<b>\$ 1,929</b>	<b>\$ 3,146</b>	<b>\$ 1,141</b>	<b>\$ 1,472</b>	<b>\$ 1,427</b>
GAAP Shareholder's Equity <sup>7</sup>	\$ 14,348	\$ 16,239	\$ 14,118	\$ 13,842	\$ 13,381
Preferred Equity <sup>7</sup>	2,324	1,394	-	-	-
Goodwill & Intangibles, Net of DTLs <sup>7</sup>	(921)	(489)	(411)	(368)	(290)
Tangible Common Equity	\$ 11,103	\$ 14,356	\$ 13,707	\$ 13,474	\$ 13,091
Core OID Balance <sup>7</sup>	(862)	(956)	(1,046)	(1,078)	(1,135)
Net Deferred Tax Asset <sup>7</sup>	(820)	(451)	(96)	(158)	(391)
<b>Normalized Common Equity</b>	<b>\$ 9,421</b>	<b>\$ 12,949</b>	<b>\$ 12,566</b>	<b>\$ 12,239</b>	<b>\$ 11,565</b>
<b>Core Return on Tangible Common Equity<sup>7</sup></b>	<b>20.5%</b>	<b>24.3%</b>	<b>9.1%</b>	<b>12.0%</b>	<b>12.3%</b>

## ORIGINAL ISSUE DISCOUNT AMORTIZATION EXPENSE

(\$ millions)	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Core OID Amortization Expense<sup>8</sup></b>	<b>\$ 42</b>	<b>\$ 38</b>	<b>\$ 36</b>	<b>\$ 29</b>	<b>\$ 86</b>
Other OID	11	11	13	13	15
<b>GAAP OID Amortization Expense</b>	<b>\$ 53</b>	<b>\$ 49</b>	<b>\$ 49</b>	<b>\$ 42</b>	<b>\$ 101</b>

## OUTSTANDING ORIGINAL ISSUE DISCOUNT BALANCE

(\$ millions)	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
<b>Core Outstanding OID Balance (Core OID Balance)</b>	<b>\$ (841)</b>	<b>\$ (883)</b>	<b>\$ (1,027)</b>	<b>\$ (1,063)</b>	<b>\$ (1,092)</b>
Other Outstanding OID Balance	(40)	(40)	(37)	(37)	(43)
<b>GAAP Outstanding OID Balance</b>	<b>\$ (882)</b>	<b>\$ (923)</b>	<b>\$ (1,064)</b>	<b>\$ (1,100)</b>	<b>\$ (1,135)</b>

<sup>1</sup> Tax rate 21% starting 1Q 2018; 35% starting 1Q 2016; 34% prior.

<sup>2</sup> Change in fair value of equity securities reflects equity fair value adjustments related to ASU 2016-01, effective 1/1/2018, which requires change in the fair value of equity securities to be recognized in current period net income as compared to prior periods in which such adjustments were recognized through other comprehensive income, a component of equity

<sup>3</sup> Repositioning items are primarily related to the extinguishment of high cost legacy debt and strategic activities.

<sup>4</sup> Significant discrete tax items do not relate to the operating performance of the core businesses. 2017 effective tax rate was impacted primarily by a \$119 million revaluation of federal deferred tax assets and liabilities and related valuation allowance recorded in 4Q 2017 due to the enactment of the Tax Cuts and Jobs Act in 2017. 2019 effective tax rate was significantly impacted by the release of valuation allowance on foreign tax credit carryforwards.

<sup>5</sup> Tax rate 21% starting 4Q 2017; 35% starting 1Q 2016; 34% prior.

<sup>6</sup> Tax rate 21% starting 1Q 2018; 35% prior.

<sup>7</sup> Calculated using 2-period average.

<sup>8</sup> Excludes accelerated OID.

# Board of directors.

Our Board of Directors play a key role in overseeing our strategy. In addition, our Executive Council continues to drive performance and our culture by focusing on our LEAD core values and “Do It Right” mantra. Between our Board, Executive Council and 11,600 employees, we have the right team in place to position Ally for sustained growth.



**Franklin W. Hobbs - Chair**  
Former President and CEO,  
Ribbon Communications



**Kim S. Fennebresque**  
Former Chairman and CEO,  
Cowen Group



**Kenneth J. Bacon**  
Former Executive Officer,  
Fannie Mae



**Marjorie Magner**  
Former Executive Officer,  
Citigroup



**Maureen A. Breakiron-Evans**  
Former CFO, Towers Perrin



**Brian H. Sharples**  
Former Chairman and CEO,  
HomeAway



**Jeffrey J. Brown**  
Current CEO, Ally Financial



**Melissa Goldman**  
Current Vice President,  
Google, LLC



**William H. Cary**  
Former Executive Officer,  
General Electric



**Michael F. Steib**  
Current CEO, Artsy



**Mayree C. Clark**  
Former Executive Officer,  
Morgan Stanley



**David Reilly**  
Former Executive Officer,  
Bank of America Corporation



**Jeffrey J. Brown**  
Chief Executive Officer



**Andrea Brimmer**  
Chief Marketing and Public  
Relations Officer



**Bradley (Brad) J. Brown**  
Corporate Treasurer & Interim  
Chief Financial Officer



**David DeBrunner**  
Vice President, Controller, and  
Chief Accounting Officer



**Daniel Eller**  
President, Insurance



**William (Bill) Hall, Jr.**  
Co-President, Corporate  
Finance



**Sean Leary**  
Head of Investor Relations  
and Enterprise FP&A



**Diane Morais**  
President, Consumer &  
Commercial Banking, Ally Bank



**Sathish Muthukrishnan**  
Chief Information,  
Data and Digital Officer



**Kathleen (Kathie) L. Patterson**  
Chief Human Resources Officer



**Stephanie Richard**  
Chief Audit Executive



**Jason Schugel**  
Chief Risk Officer



**Dan Soto**  
Chief Compliance Officer



**Scott Stengel**  
General Counsel

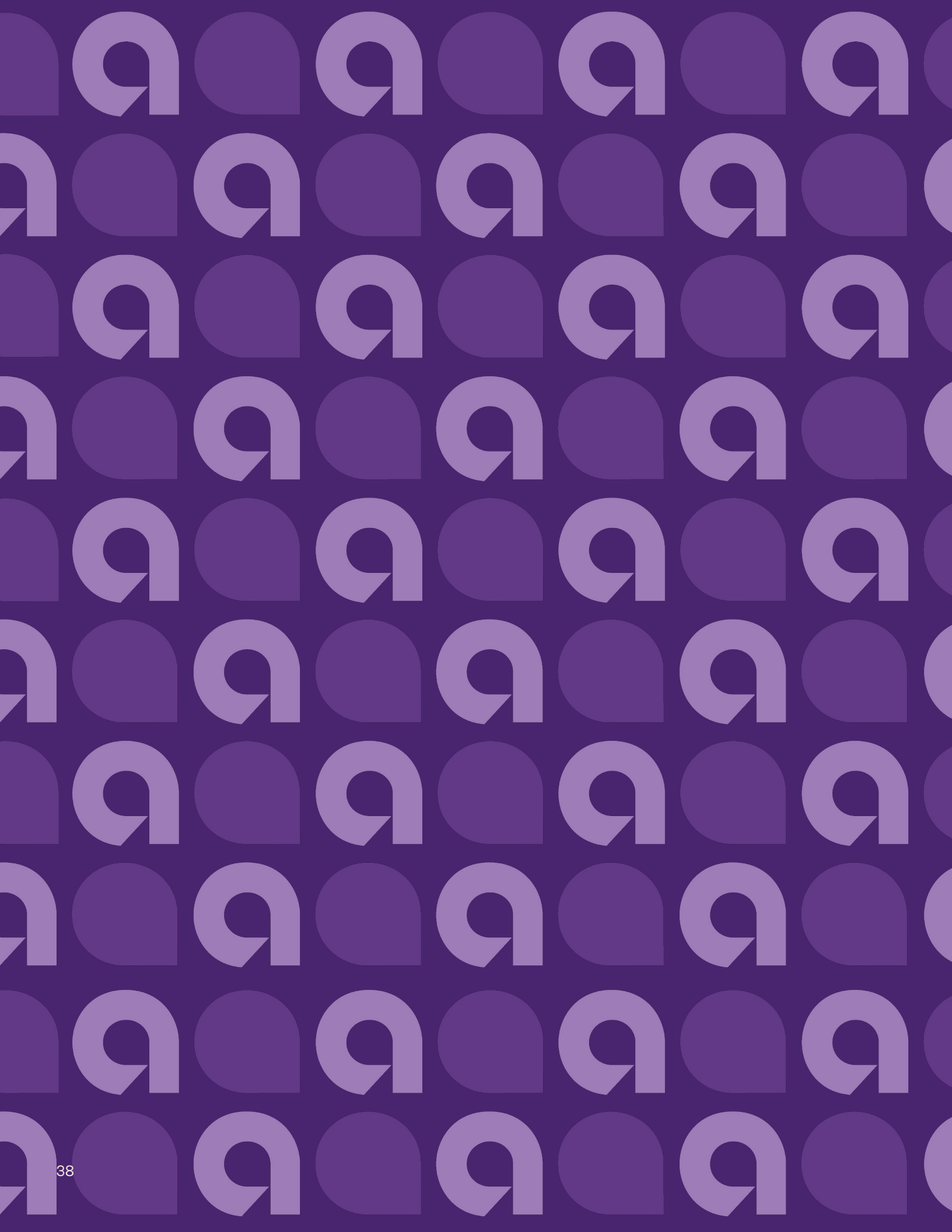


**Alison Summerville**  
Business Administration  
Executive



**Douglas Timmerman**  
President, Dealer Financial  
Services

## Executive management.



# Company information.

## **Headquarters**

Ally Financial Inc.  
Ally Detroit Center  
500 Woodward Ave.  
Detroit, MI 48226  
[www.ally.com](http://www.ally.com)

## **Corporate Center**

Ally Charlotte Center  
601 South Tryon St.  
Charlotte, NC 28202

## **Investor Relations**

1-866-710-4623  
[investor.relations@ally.com](mailto:investor.relations@ally.com)  
[ally.com/about/investor](http://ally.com/about/investor)

## **Sean Leary**

Executive Director  
Investor Relations  
704-444-4830  
[sean.leary@ally.com](mailto:sean.leary@ally.com)

## **First Class/Registered/ Certified Mail**

Computershare Investor Services  
P.O. Box 43078  
Providence, RI 02940-3078

## **Courier Services**

Computershare Investor Services  
150 Royall Street - Street 101  
Canton, MA 02021

## **Media Relations**

[media.ally.com](http://media.ally.com)  
Twitter: @ally

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