UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024, or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission file number: 1-3754

Ally Financial Inc.

(Exact name of registrant as specified in its charter)

Delaware	**38-0572512**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Ally Detroit Center
500 Woodward Avenue, Floor 10
Detroit, Michigan 48226
(Address of principal executive offices)
(Zip Code)

(866) 710-4623
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**ALLY**	**NYSE**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
						Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

At May 2, 2024, the number of shares outstanding of the Registrant's common stock was 303,981,222 shares.

Index

Ally Financial Inc. • Form 10-Q

Glossary of Abbreviations and Acronyms

The following is a list of abbreviations and acronyms that are used in this Quarterly Report on Form 10-Q.

Term	Definition
ALCO	Asset-Liability Committee
ALM	Asset Liability Management
AOCI	Accumulated other comprehensive income
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Basel Committee	Basel Committee on Banking Supervision
BHC	Bank holding company
BHC Act	Bank Holding Company Act of 1956, as amended
BMC	Better Mortgage Company
Board	Ally Board of Directors
BTFP	Bank Term Funding Program
CD	Certificate of deposit
CECL	Accounting Standards Update 2016-13 (and related Accounting Standards Updates), or current expected credit loss
CODM	Chief Operating Decision Maker
COH	Corporate overhead
CRA	Community Reinvestment Act of 1977, as amended
CSG	Commercial Services Group
CVA	Credit valuation adjustment
DIF	Deposit Insurance Fund
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended
DVA	Debit valuation adjustment
EGRRCP Act	Economic Growth, Regulatory Relief, and Consumer Protection Act, as amended
ERMC	Enterprise Risk Management Committee
ESG	Environmental, social, and governance
ETF	Exchange-traded fund
Exchange Act	Securities Exchange Act of 1934, as amended
F&I	Finance and insurance
FASB	Financial Accounting Standards Board
FDI Act	Federal Deposit Insurance Act, as amended
FDIC	Federal Deposit Insurance Corporation
FDICIA	Federal Deposit Insurance Corporation Improvement Act of 1991, as amended
FHC	Financial holding company
FHLB	Federal Home Loan Bank
FRB	Federal Reserve Bank, or Board of Governors of the Federal Reserve System, as the context requires
FTP	Funds-transfer pricing
GAP	Guaranteed asset protection
GDP	Gross domestic product of the United States of America
GLB Act	Gramm-Leach-Bliley Act of 1999, as amended
GM	General Motors Company
HTC	Historic tax credit
IB Finance	IB Finance Holding Company, LLC
IDI	Insured Depository Institution
IRA	Individual retirement account
LCR	Liquidity coverage ratio

Index of Defined Terms

Term	Definition
LGD	Loss given default
LIHTC	Low-income housing tax credit
LMI	Low-to-moderate income
LTV	Loan-to-value
MD&A	Management’s Discussion and Analysis of Financial Condition and Results of Operations
NMTC	New market tax credit
NYSE	New York Stock Exchange
OCI	Other comprehensive income
OEM	Automotive original equipment manufacturer
OTC	Over-the-counter
P&C	Property and casualty
PCA	Prompt corrective action
RC	Risk Committee of the Ally Board of Directors
ROU	Right-of-use
RV	Recreational vehicle
RWA	Risk-weighted asset
SEC	U.S. Securities and Exchange Commission
Signature	Signature Bank
SPE	Special-purpose entity
Stellantis	Stellantis N.V.
SVB	Silicon Valley Bank
Tailoring Rules	The rules implementing Title IV of the EGRRCP Act
TCFD	Task Force on Climate-related Financial Disclosures
TLAC	Total loss-absorbing capacity
UPB	Unpaid principal balance
U.S. Basel III	The rules implementing the 2010 Basel III capital framework in the United States as well as related provisions of the Dodd-Frank Act, as amended from time to time
U.S. GAAP	Accounting Principles Generally Accepted in the United States of America
VIE	Variable interest entity
VMC	Vehicle maintenance contract
VSC	Vehicle service contract
WAC	Weighted-average coupon
wSTWF	Weighted short-term wholesale funding

Item 1. Financial Statements

Condensed Consolidated Statement of Comprehensive (Loss) Income (unaudited)

Ally Financial Inc. • Form 10-Q

	Three months ended March 31,	
($ in millions)	**2024**	2023
Financing revenue and other interest income		
Interest and fees on finance receivables and loans	**$ 2,827**	$ 2,575
Interest on loans held-for-sale	**36**	15
Interest and dividends on investment securities and other earning assets	**266**	238
Interest on cash and cash equivalents	**97**	56
Operating leases	**356**	402
Total financing revenue and other interest income	**3,582**	3,286
Interest expense		
Interest on deposits	**1,651**	1,217
Interest on short-term borrowings	**23**	12
Interest on long-term debt	**248**	227
Interest on other	**—**	2
Total interest expense	**1,922**	1,458
Net depreciation expense on operating lease assets	**204**	226
Net financing revenue and other interest income	**1,456**	1,602
Other revenue		
Insurance premiums and service revenue earned	**345**	306
Gain on mortgage and automotive loans, net	**6**	4
Other gain on investments, net	**29**	74
Other income, net of losses	**150**	114
Total other revenue	**530**	498
Total net revenue	**1,986**	2,100
Provision for credit losses	**507**	446
Noninterest expense		
Compensation and benefits expense	**519**	537
Insurance losses and loss adjustment expenses	**112**	88
Other operating expenses	**677**	641
Total noninterest expense	**1,308**	1,266
Income from continuing operations before income tax expense	**171**	388
Income tax expense from continuing operations	**14**	68
Net income from continuing operations	**157**	320
Loss from discontinued operations, net of tax	**—**	(1)
Net income	**$ 157**	$ 319
Other comprehensive (loss) income, net of tax	**(173)**	283
Comprehensive (loss) income	**$ (16)**	$ 602

Statement continues on the next page.

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Condensed Consolidated Statement of Comprehensive (Loss) Income (unaudited)

Ally Financial Inc. • Form 10-Q

($ in millions, except per share data; shares in thousands) (a)	Three months ended March 31, 2024	2023
Net income from continuing operations attributable to common stockholders	**$ 129**	$ 292
Loss from discontinued operations, net of tax	**—**	(1)
Net income attributable to common stockholders	**$ 129**	$ 291
Basic weighted-average common shares outstanding (b)	**306,003**	302,657
Diluted weighted-average common shares outstanding (b)	**308,421**	303,448
Basic earnings per common share		
Net income from continuing operations	**$ 0.42**	$ 0.97
Net income	**$ 0.42**	$ 0.96
Diluted earnings per common share		
Net income from continuing operations	**$ 0.42**	$ 0.96
Net income	**$ 0.42**	$ 0.96
Cash dividends declared per common share	**$ 0.30**	$ 0.30

(a) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on unrounded numbers.
(b) Includes shares related to share-based compensation that vested but were not yet issued.

Refer to Note 17 for additional earnings per share information. The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Table of Contents

Condensed Consolidated Balance Sheet (unaudited)

($ in millions, except share data)	**March 31, 2024**	December 31, 2023
Assets		
Cash and cash equivalents		
Noninterest-bearing	**$ 589**	$ 638
Interest-bearing	**7,564**	6,307
Total cash and cash equivalents	**8,153**	6,945
Equity securities	**788**	810
Available-for-sale securities (amortized cost of $28,114 and $28,416)	**23,684**	24,415
Held-to-maturity securities (fair value of $4,633 and $4,729)	**4,655**	4,680
Loans held-for-sale, net	**358**	400
Finance receivables and loans, net		
Finance receivables and loans, net of unearned income	**137,960**	139,439
Allowance for loan losses	**(3,550)**	(3,587)
Total finance receivables and loans, net	**134,410**	135,852
Investment in operating leases, net	**8,731**	9,171
Premiums receivable and other insurance assets	**2,750**	2,749
Other assets	**9,348**	9,395
Assets of operations held-for-sale	**—**	1,975
Total assets	**$ 192,877**	$ 196,392
Liabilities		
Deposit liabilities		
Noninterest-bearing	**$ 137**	$ 139
Interest-bearing	**154,947**	154,527
Total deposit liabilities	**155,084**	154,666
Short-term borrowings	**—**	3,297
Long-term debt	**17,011**	17,570
Interest payable	**1,118**	858
Unearned insurance premiums and service revenue	**3,480**	3,492
Accrued expenses and other liabilities	**2,527**	2,726
Liabilities of operations held-for-sale	**—**	17
Total liabilities	**179,220**	182,626
Contingencies (refer to Note 24)		
Equity		
Common stock and paid-in capital ($0.01 par value, shares authorized 1,100,000,000; issued 514,161,006 and 511,861,447; and outstanding 303,977,972 and 302,459,258)	**22,034**	21,975
Preferred stock	**2,324**	2,324
Retained earnings	**188**	154
Accumulated other comprehensive loss	**(3,989)**	(3,816)
Treasury stock, at cost (210,183,034 and 209,402,189 shares)	**(6,900)**	(6,871)
Total equity	**13,657**	13,766
Total liabilities and equity	**$ 192,877**	$ 196,392

Statement continues on the next page.

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Condensed Consolidated Balance Sheet (unaudited)

The assets of consolidated variable interest entities that can be used only to settle obligations of the consolidated variable interest entities and the liabilities of these entities for which creditors (or beneficial interest holders) do not have recourse to our general credit were as follows.

($ in millions)	**March 31, 2024**	December 31, 2023
Assets		
Finance receivables and loans, net		
Consumer automotive	**$ 5,964**	$ 6,868
Allowance for loan losses	**(220)**	(254)
Total finance receivables and loans, net	**5,744**	6,614
Other assets	**445**	461
Total assets	**$ 6,189**	$ 7,075
Liabilities		
Long-term debt	**$ 1,313**	$ 1,509
Accrued expenses and other liabilities	**5**	4
Total liabilities	**$ 1,318**	$ 1,513

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Condensed Consolidated Statement of Changes in Equity (unaudited)

Ally Financial Inc. • Form 10-Q

($ in millions)	Common stock and paid-in capital	Preferred stock	Retained earnings (accumulated deficit)	Accumulated other comprehensive loss	Treasury stock	Total equity
Balance at January 1, 2023	$ 21,816	$ 2,324	$ (384)	$ (4,059)	$ (6,838)	$ 12,859
Net income			319			319
Preferred stock dividends — Series B			(16)			(16)
Preferred stock dividends — Series C			(12)			(12)
Share-based compensation	64					64
Other comprehensive income				283		283
Common stock repurchases					(27)	(27)
Common stock dividends ($0.30 per share)			(92)			(92)
Balance at March 31, 2023	$ 21,880	$ 2,324	$ (185)	$ (3,776)	$ (6,865)	$ 13,378
Balance at December 31, 2023	$ 21,975	$ 2,324	$ 154	$ (3,816)	$ (6,871)	$ 13,766
Cumulative effect of changes in accounting principles, net of tax (a)						
Adoption of Accounting Standards Update 2023-02			(2)			(2)
Balance at January 1, 2024	**$ 21,975**	**$ 2,324**	**$ 152**	**$ (3,816)**	**$ (6,871)**	**$ 13,764**
Net income			**157**			**157**
Preferred stock dividends — Series B			**(16)**			**(16)**
Preferred stock dividends — Series C			**(12)**			**(12)**
Share-based compensation	**59**					**59**
Other comprehensive loss				**(173)**		**(173)**
Common stock repurchases					**(29)**	**(29)**
Common stock dividends ($0.30 per share)			**(93)**			**(93)**
Balance at March 31, 2024	**$ 22,034**	**$ 2,324**	**$ 188**	**$ (3,989)**	**$ (6,900)**	**$ 13,657**

(a) Refer to the section titled *Recently Adopted Accounting Standards* in Note 1 for additional information.

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Condensed Consolidated Statement of Cash Flows (unaudited)

Three months ended March 31, *($ in millions)*	**2024**	2023
Operating activities		
Net income	**$ 157**	$ 319
Reconciliation of net income to net cash provided by operating activities		
Depreciation and amortization	**322**	317
Provision for credit losses	**507**	446
Gain on mortgage and automotive loans, net	**(6)**	(4)
Other gain on investments, net	**(29)**	(74)
Originations and purchases of loans held-for-sale	**(698)**	(844)
Proceeds from sales and repayments of loans held-for-sale	**645**	1,068
Net change in		
Deferred income taxes	**(1)**	24
Interest payable	**260**	351
Other assets	**142**	(43)
Other liabilities	**(38)**	(208)
Other, net	**80**	80
Net cash provided by operating activities	**1,341**	1,432
Investing activities		
Purchases of equity securities	**(186)**	(45)
Proceeds from sales of equity securities	**259**	87
Purchases of available-for-sale securities	**(148)**	(152)
Proceeds from sales of available-for-sale securities	**46**	307
Proceeds from repayments of available-for-sale securities	**392**	477
Proceeds from repayments of held-to-maturity securities	**100**	15
Purchases of finance receivables and loans held-for-investment	**(1,056)**	(818)
Proceeds from sales of finance receivables and loans initially held-for-investment	**1,060**	4
Originations and repayments of finance receivables and loans held-for-investment and other, net	**899**	(103)
Purchases of operating lease assets	**(709)**	(741)
Disposals of operating lease assets	**889**	706
Proceeds from sale of a business unit, net	**1,949**	—
Net change in nonmarketable equity investments	**141**	(2)
Other, net	**(135)**	(117)
Net cash provided by (used in) investing activities	**3,501**	(382)

Statement continues on the next page.

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

Condensed Consolidated Statement of Cash Flows (unaudited)

Three months ended March 31, *($ in millions)*	2024	2023
Financing activities		
Net change in short-term borrowings	**(3,297)**	(944)
Net increase in deposits	**389**	1,715
Proceeds from issuance of long-term debt	**123**	3,129
Repayments of long-term debt	**(699)**	(426)
Repurchases of common stock	**(29)**	(27)
Common stock dividends paid	**(97)**	(96)
Preferred stock dividends paid	**(28)**	(28)
Net cash (used in) provided by financing activities	**(3,638)**	3,323
Effect of exchange-rate changes on cash and cash equivalents and restricted cash	**(3)**	—
Net increase in cash and cash equivalents and restricted cash	**1,201**	4,373
Cash and cash equivalents and restricted cash at beginning of year	**7,439**	6,222
Cash and cash equivalents and restricted cash at March 31,	**$ 8,640**	$ 10,595
Supplemental disclosures		
Cash paid (received) for		
Interest	**$ 1,641**	$ 1,085
Income taxes	**7**	(150)
Noncash items		
Held-to-maturity securities received in consideration for loans sold	**56**	—
Loans held-for-sale transferred to finance receivables and loans held-for-investment	**1**	75
Finance receivables and loans held-for-investment transferred to loans held-for-sale	**1,153**	—

The following table provides a reconciliation of cash and cash equivalents and restricted cash from the Condensed Consolidated Balance Sheet to the Condensed Consolidated Statement of Cash Flows.

March 31, *($ in millions)*	2024	2023
Cash and cash equivalents on the Condensed Consolidated Balance Sheet	**$ 8,153**	$ 9,780
Restricted cash included in other assets on the Condensed Consolidated Balance Sheet (a)	**487**	815
Total cash and cash equivalents and restricted cash in the Condensed Consolidated Statement of Cash Flows	**$ 8,640**	$ 10,595

(a) Restricted cash balances relate primarily to our securitization arrangements. Refer to Note 11 for additional details describing the nature of restricted cash balances.

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these statements.

1. Description of Business, Basis of Presentation, and Changes in Significant Accounting Policies

Ally Financial Inc. (together with its consolidated subsidiaries unless the context otherwise requires, Ally, the Company, we, us, or our) is a financial-services company with the nation's largest all-digital bank and an industry-leading automotive financing and insurance business, driven by a mission to "Do It Right" and be a relentless ally for customers and communities. The Company serves customers through a full range of online banking services (including deposits, mortgage, and credit card products) and securities brokerage and investment advisory services. The Company also includes a corporate finance business that offers capital for equity sponsors and middle-market companies. Ally is a Delaware corporation and is registered as a BHC under the BHC Act and an FHC under the GLB Act.

Our accounting and reporting policies conform to U.S. GAAP. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. Certain reclassifications may have been made to the prior periods' financial statements and notes to conform to the current period's presentation, which did not have a material impact on our Condensed Consolidated Financial Statements. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and that affect income and expenses during the reporting period and related disclosures. In developing the estimates and assumptions, management uses all available evidence; however, actual results could differ because of uncertainties associated with estimating the amounts, timing, and likelihood of possible outcomes. Our most significant estimates pertain to the allowance for loan losses, valuations of automotive lease assets and residuals, fair value of financial instruments, and the determination of the provision for income taxes.

The Condensed Consolidated Financial Statements at March 31, 2024, and for the three months ended March 31, 2024, and 2023, are unaudited but reflect all adjustments that are, in management's opinion, necessary for the fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements (and the related Notes) included in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed on February 20, 2024, with the SEC.

Significant Accounting Policies

Equity-Method Investments and Proportional Amortization Investments

Our equity-method investments primarily include equity investments related to the CRA, which do not have a readily determinable fair value. The majority of these investments are accounted for using the equity method of accounting and are included in equity-method investments within other assets on our Condensed Consolidated Balance Sheet.

Our proportional amortization investments include tax equity investments related to the CRA, for which the primary return to us is the tax credits and other tax benefits we receive. We have elected to apply the proportional amortization method to qualifying tax equity investments within our LIHTC, NMTC, and HTC programs. Under the proportional amortization method, the costs of qualifying tax equity investments are amortized in proportion to the allocation of tax credits and other tax benefits in each period to the total tax benefits expected to be obtained over the life of the investment, and the investment amortization and tax credits are presented on a net basis as a component of income tax expense. Our proportional amortization investments are included within other assets on our Condensed Consolidated Balance Sheet. Our obligations related to unfunded commitments for our proportional amortization investments are included in accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet. Tax credits and other tax benefits received are recorded in income tax expense of the Condensed Consolidated Statement of Comprehensive (Loss) Income and in net income and as a component of operating activities within deferred income taxes, other assets, and other liabilities of the Condensed Consolidated Statement of Cash Flows.

This update to our accounting policy resulted from our adoption of ASU 2023-02 on January 1, 2024, as further described within the section below titled *Recently Adopted Accounting Standards.*

Income Taxes

In calculating the provision for interim income taxes, in accordance with ASC 740, *Income Taxes*, we apply an estimated annual effective tax rate to year-to-date ordinary income. At the end of each interim period, we estimate the effective tax rate expected to be applicable for the full fiscal year. This method differs from that described in Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K, which describes our annual significant income tax accounting policy and related methodology.

Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K regarding additional significant accounting policies.

Recently Adopted Accounting Standards

Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03)

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The purpose of this guidance is to clarify that a contractual restriction on the ability to sell an equity security is not considered part of the unit of account of the equity security, and therefore should not be considered when measuring the equity security's fair value. Additionally, an entity cannot separately recognize and measure a contractual-sale restriction. This guidance also adds specific disclosures related to equity securities that are subject to contractual-sale restrictions, including (1) the fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet, (2) the nature and remaining duration of the restrictions, and (3) the circumstances that could cause a lapse in the restrictions. We adopted the amendments on January 1, 2024, using the prospective approach. The impact of these amendments was not material.

Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (ASU 2023-02)

In March 2023, the FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. The purpose of this guidance is to expand the use of the proportional amortization method to certain tax equity investments made primarily for the purpose of receiving income tax credits and other income tax benefits. In order to qualify for the proportional amortization method, the following five conditions must be met: (1) it is probable that the income tax credits allocable to the tax equity investor will be available, (2) the tax equity investor does not have the ability to exercise significant influence over the operating and financial policies of the underlying project, (3) substantially all of the projected benefits are from income tax credits and other income tax benefits, (4) the tax equity investor's projected yield is based solely on the cash flows from the income tax credits and other income tax benefits is positive, and (5) the tax equity investor is a limited liability investor in the limited liability entity for both legal and tax purposes, and the tax equity investor's liability is limited to its capital investment. Selecting the proportional amortization method is an accounting policy election that must be applied on a tax-credit-program-by-tax-credit-program basis rather than at the entity level or to individual investments. Additionally, in order to apply the proportional amortization method to qualifying investments, an entity must use the flow-through method when accounting for the receipt of the investment tax credits. This guidance also adds disclosure requirements related to tax credit programs where the proportional amortization method has been elected. We adopted the amendments on January 1, 2024, using the modified retrospective approach. The adoption of the amendments resulted in a reduction to our opening retained earnings of approximately $2 million, net of income taxes.

Recently Issued Accounting Standards and Disclosure Rules

Improvements to Reportable Segment Disclosures (ASU 2023-07)

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The purpose of this guidance is to improve reportable segment disclosure, primarily through enhanced disclosures about significant segment expenses. This ASU requires that an entity disclose, on an interim and annual basis, significant segment expenses that are regularly provided to the CODM and are included within the reported measure of segment profit or loss. This ASU also requires an entity to disclose, on an interim and annual basis, other segment items by reportable segment, including a qualitative description of the composition of those items. This "other" category is defined as the difference between segment profit or loss and segment revenue less significant segment expenses. Entities are also required to disclose the title and position of the individual, or the name of the group or committee, identified as the CODM. The amendments are effective on January 1, 2024, for annual reporting, and January 1, 2025, for interim reporting, with early adoption permitted. The amendments must be applied using a retrospective approach. Management does not expect the impact of these amendments to be material.

Improvements to Income Tax Disclosures (ASU 2023-09)

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The purpose of this guidance is to enhance the rate reconciliation and income taxes paid disclosures. This ASU requires that an entity disclose, on an annual basis, specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. For the state and local income tax category of the rate reconciliation, entities must disclose a qualitative description of the states and local jurisdictions that make up the majority (greater than 50 percent) of the category. For the income taxes paid disclosures, entities will be required to disclose, on an annual basis, the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes. The amendments are effective on January 1, 2025, with early adoption permitted. The amendments must be applied using either a prospective or retrospective approach. Management does not expect the impact of these amendments to be material.

The Enhancement and Standardization of Climate-Related Disclosures for Investors (SEC Release No. 33-11275)

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors. This final rule requires registrants to disclose certain climate-related information in registration statements and annual reports for the fiscal year beginning January 1, 2025. On April 4, 2024, the SEC ordered that the final rule is stayed pending the completion of judicial review in the U.S. Court of Appeals for the Eighth Circuit. Management is still assessing the final rule and monitoring legal developments to determine its impact on us.

2. Held-for-sale Operations

On December 31, 2023, we committed to sell Ally Lending, a component of our Corporate and Other segment. We closed the sale of Ally Lending on March 1, 2024. For all periods presented, the operating results for our held-for-sale operations are presented within continuing operations in the Condensed Consolidated Statement of Comprehensive (Loss) Income. Additionally, the assets and liabilities of our held-for-sale operations are presented separately on the Condensed Consolidated Balance Sheet as of December 31, 2023.

In connection with the classification of the operations as held-for-sale, the disposal group was measured at lower-of-cost or fair value. First, the finance receivables and loans were classified as held-for-sale and measured at the lower-of-cost or fair value, which resulted in a benefit of $16 million to our provision for credit losses during the year ended December 31, 2023. Next, the remaining assets and liabilities of the disposal group were measured at the lower-of-cost or fair value. The fair value was determined based on the sales agreement with the third-party purchaser, which is a Level 2 fair value input. The carrying value exceeded the fair value of the assets and liabilities of the disposal group, which resulted in a goodwill impairment charge of $149 million during the year ended December 31, 2023. In total, we recognized a net pretax loss of $133 million for the year ended December 31, 2023, in connection with classification of the operations as held-for-sale. During the three months ended March 31, 2024, we recognized an additional pretax loss of $7 million in connection with the sale of Ally Lending. This pretax loss relates to activity from January 1, 2024, through the March 1, 2024, closing date.

The assets and liabilities of operations held-for-sale are summarized below.

($ in millions)	December 31, 2023
Assets	
Loans held-for-sale, net	$ 1,940
Other assets (a)	35
Total assets	$ 1,975
Liabilities	
Accrued expenses and other liabilities (b)	$ 17
Total liabilities	$ 17

(a) Primarily includes accrued interest and fees of $25 million, goodwill of $4 million, and property and equipment of $4 million at December 31, 2023.
(b) Includes $5 million for reserves for unfunded lending commitments at December 31, 2023.

Nonrecurring Fair Value

The following table displays assets and liabilities of our held-for-sale operations measured at fair value on a nonrecurring basis and held at December 31, 2023. The disposal group was sold on March 1, 2024. Refer to Note 21 for descriptions of valuation methodologies used to measure material assets at fair value and details of the valuation models, key inputs to these models, and significant assumptions used.

	Nonrecurring fair value measurements					
December 31, 2023 *($ in millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**	**Lower-of-cost-or-fair-value reserve, valuation reserve, or cumulative adjustments**	**Total gain (loss) included in earnings**
Assets						
Loans held-for-sale, net	$ —	$ 1,940	$ —	$ 1,940	$ —	n/m (a)
Other assets (b)	—	35	—	35	(149)	n/m (a)
Total assets	$ —	$ 1,975	$ —	$ 1,975	$ (149)	n/m
Liabilities						
Accrued expenses and other liabilities	$ —	$ 17	$ —	$ 17	$ —	n/m (a)
Total liabilities	$ —	$ 17	$ —	$ 17	$ —	n/m

n/m = not meaningful
(a) We consider the applicable valuation allowance, allowance for loan losses, or cumulative adjustments to be the most relevant indicator of the impact on earnings caused by the fair value measurement. Accordingly, the table above excludes total gains and losses included in earnings for these items.
(b) Includes a $149 million impairment of goodwill at Ally Lending. At the time of impairment, the fair value of goodwill at Ally Lending was classified as Level 2 under the fair value hierarchy.

3. Revenue from Contracts with Customers

Our primary revenue sources, which include financing revenue and other interest income, are addressed by other U.S. GAAP topics and are not in the scope of ASC Topic 606, *Revenue from Contracts with Customers.* As part of our Insurance operations, we recognize revenue from insurance contracts, which are addressed by other U.S. GAAP topics and are not included in the scope of this standard. Certain noninsurance contracts within our Insurance operations, including VSCs, GAP contracts, and VMCs, are included in the scope of this standard. All revenue associated with noninsurance contracts is recognized over the contract term on a basis proportionate to the anticipated cost emergence. Further, commissions and sales expense incurred to obtain these contracts are amortized over the terms of the related policies and service contracts on the same basis as premiums and service revenue are earned, and all advertising costs are recognized as expense when incurred.

The following table presents a disaggregated view of our revenue from contracts with customers. For further information regarding our revenue recognition policies and details about the nature of our respective revenue streams, refer to Note 1 and Note 3 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

Three months ended March 31, *($ in millions)*	Automotive Finance operations	Insurance operations	Mortgage Finance operations	Corporate Finance operations	Corporate and Other	Consolidated
2024						
Revenue from contracts with customers						
Noninsurance contracts (a) (b) (c)	**$ —**	**$ 173**	**$ —**	**$ —**	**$ —**	**$ 173**
Remarketing fee income	**30**	**—**	**—**	**—**	**—**	**30**
Brokerage commissions and other revenue	**—**	**—**	**—**	**—**	**23**	**23**
Banking fees and interchange income (d)	**—**	**—**	**—**	**—**	**9**	**9**
Brokered/agent commissions	**—**	**4**	**—**	**—**	**—**	**4**
Other	**5**	**—**	**—**	**—**	**—**	**5**
Total revenue from contracts with customers	**35**	**177**	**—**	**—**	**32**	**244**
All other revenue	**62**	**207**	**6**	**23**	**(12)**	**286**
Total other revenue (e)	**$ 97**	**$ 384**	**$ 6**	**$ 23**	**$ 20**	**$ 530**
2023						
Revenue from contracts with customers						
Noninsurance contracts (a) (b) (c)	$ —	$ 169	$ —	$ —	$ —	$ 169
Remarketing fee income	33	—	—	—	—	33
Brokerage commissions and other revenue	—	—	—	—	23	23
Banking fees and interchange income (d)	—	—	—	—	10	10
Brokered/agent commissions	—	3	—	—	—	3
Other	5	—	—	—	—	5
Total revenue from contracts with customers	38	172	—	—	33	243
All other revenue	39	209	4	29	(26)	255
Total other revenue (e)	$ 77	$ 381	$ 4	$ 29	$ 7	$ 498

(a) We had opening balances of $3.0 billion in unearned revenue associated with outstanding contracts at both January 1, 2024, and 2023, and $248 million and $241 million of these balances were recognized as insurance premiums and service revenue earned in our Condensed Consolidated Statement of Comprehensive (Loss) Income during the three months ended March 31, 2024, and 2023, respectively.

(b) At March 31, 2024, we had unearned revenue of $2.9 billion associated with outstanding contracts, and with respect to this balance we expect to recognize revenue of $670 million during the remainder of 2024, $751 million in 2025, $594 million in 2026, $422 million in 2027, and $510 million thereafter. At March 31, 2023, we had unearned revenue of $3.0 billion associated with outstanding contracts.

(c) We had deferred insurance assets of $1.8 billion at both March 31, 2024, and December 31, 2023, and recognized $147 million of expense during the three months ended March 31, 2024. We had deferred insurance assets of $1.8 billion at both March 31, 2023, and December 31, 2022, and recognized $144 million of expense during the three months ended March 31, 2023.

(d) Interchange income is reported net of customer rewards. Customer rewards expense was $6 million and $4 million for the three months ended March 31, 2024, and 2023, respectively.

(e) Represents a component of total net revenue. Refer to Note 23 for further information on our reportable operating segments.

In addition to the components of other revenue presented above, as part of our Automotive Finance operations, we recognized net remarketing gains of $46 million and $47 million for the three months ended March 31, 2024, and 2023, respectively, on the sale of off-lease vehicles. These gains are included in depreciation expense on operating lease assets in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

4. Other Income, Net of Losses

Details of other income, net of losses, were as follows.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Late charges and other administrative fees	**$ 54**	$ 47
Remarketing fees	**30**	33
Income (loss) on nonmarketable equity investments, net (a)	**2**	(11)
Loss from equity-method investments (a)	**(8)**	(18)
Other, net	**72**	63
Total other income, net of losses	**$ 150**	$ 114

(a) Refer to Note 11 for further information on our nonmarketable equity investments and equity-method investments.

5. Reserves for Insurance Losses and Loss Adjustment Expenses

The following table shows a rollforward of our reserves for insurance losses and loss adjustment expenses.

($ in millions)	**2024**	2023
Total gross reserves for insurance losses and loss adjustment expenses at January 1,	**$ 140**	$ 119
Less: Reinsurance recoverable	**66**	72
Net reserves for insurance losses and loss adjustment expenses at January 1,	**74**	47
Net insurance losses and loss adjustment expenses incurred related to:		
Current year	**103**	87
Prior years (a)	**9**	1
Total net insurance losses and loss adjustment expenses incurred	**112**	88
Net insurance losses and loss adjustment expenses paid or payable related to:		
Current year	**(57)**	(49)
Prior years	**(42)**	(28)
Total net insurance losses and loss adjustment expenses paid or payable	**(99)**	(77)
Net reserves for insurance losses and loss adjustment expenses at March 31,	**87**	58
Plus: Reinsurance recoverable	**77**	75
Total gross reserves for insurance losses and loss adjustment expenses at March 31,	**$ 164**	$ 133

(a) There have been no material adverse changes to the reserve for prior years.

6. Other Operating Expenses

Details of other operating expenses were as follows.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Insurance commissions	**$ 161**	$ 157
Technology and communications	**106**	108
Advertising and marketing	**73**	78
Property and equipment depreciation	**57**	47
Regulatory and licensing fees	**54**	35
Lease and loan administration	**48**	48
Vehicle remarketing and repossession	**33**	27
Professional services	**31**	32
Amortization of intangible assets (a)	**6**	7
Other	**108**	102
Total other operating expenses	**$ 677**	$ 641

(a) Refer to Note 11 for further information on our intangible assets.

7. Investment Securities

Our investment portfolio includes various debt and equity securities. Our debt securities, which are classified as available-for-sale or held-to-maturity, include government securities, corporate bonds, asset-backed securities, and mortgage-backed securities. The cost, fair value, and gross unrealized gains and losses on available-for-sale and held-to-maturity securities were as follows.

($ in millions)	March 31, 2024 Amortized cost	March 31, 2024 Gross unrealized gains	March 31, 2024 Gross unrealized losses	March 31, 2024 Fair value	December 31, 2023 Amortized cost	December 31, 2023 Gross unrealized gains	December 31, 2023 Gross unrealized losses	December 31, 2023 Fair value
Available-for-sale securities								
Debt securities								
U.S. Treasury and federal agencies	**$ 2,286**	**$ —**	**$ (229)**	**$ 2,057**	$ 2,284	$ —	$ (209)	$ 2,075
U.S. States and political subdivisions	**720**	**—**	**(77)**	**643**	727	1	(70)	658
Foreign government	**191**	**1**	**(10)**	**182**	190	1	(8)	183
Agency mortgage-backed residential (a)	**17,831**	**—**	**(3,079)**	**14,752**	18,122	1	(2,739)	15,384
Mortgage-backed residential	**264**	**—**	**(45)**	**219**	268	—	(43)	225
Agency mortgage-backed commercial (a)	**4,634**	**1**	**(835)**	**3,800**	4,539	2	(783)	3,758
Asset-backed	**310**	**—**	**(9)**	**301**	344	—	(12)	332
Corporate debt	**1,878**	**2**	**(150)**	**1,730**	1,942	4	(146)	1,800
Total available-for-sale securities (b) (c) (d) (e) (f)	**$ 28,114**	**$ 4**	**$ (4,434)**	**$ 23,684**	$ 28,416	$ 9	$ (4,010)	$ 24,415
Held-to-maturity securities								
Debt securities								
Agency mortgage-backed residential	**$ 984**	**$ —**	**$ (194)**	**$ 790**	$ 999	$ —	$ (173)	$ 826
Mortgage-backed residential	**3,544**	**171**	**—**	**3,715**	3,603	221	—	3,824
Asset-backed retained notes	**127**	**1**	**—**	**128**	78	1	—	79
Total held-to-maturity securities (d) (f) (g)	**$ 4,655**	**$ 172**	**$ (194)**	**$ 4,633**	$ 4,680	$ 222	$ (173)	$ 4,729

(a) Fair value includes basis adjustments for securities in closed portfolios with active hedges under the portfolio layer method. This includes a $77 million liability and a $46 million asset for agency mortgage-backed residential securities at March 31, 2024, and December 31, 2023, respectively, and a $32 million liability and $29 million asset for agency mortgage-backed commercial securities at March 31, 2024, and December 31, 2023. These basis adjustments would be allocated to the amortized cost of specific securities within the pool if the hedge was dedesignated. Refer to Note 19 for additional information.

(b) Certain available-for-sale securities are included in fair value hedging relationships. Refer to Note 19 for additional information.

(c) Certain entities related to our Insurance operations are required to deposit securities with state regulatory authorities. These deposited securities totaled $12 million at both March 31, 2024, and December 31, 2023.

(d) Investment securities with a fair value of $3.7 billion and $4.7 billion were pledged as collateral at March 31, 2024, and December 31, 2023, respectively. This primarily included $3.2 billion and $3.3 billion pledged to secure advances from the FHLB at March 31, 2024, and December 31, 2023, respectively. This also included securities pledged for other purposes as required by contractual obligations or law, under which agreements we granted the counterparty the right to sell or pledge $569 million and $1.4 billion of the underlying available-for-sale securities at March 31, 2024, and December 31, 2023, respectively.

(e) Totals do not include accrued interest receivable, which was $75 million and $76 million at March 31, 2024, and December 31, 2023, respectively. Accrued interest receivable is included in other assets on our Condensed Consolidated Balance Sheet.

(f) There was no allowance for credit losses recorded at both March 31, 2024, or December 31, 2023, as management determined that there were no expected credit losses in our portfolio of available-for-sale and held-to-maturity securities.

(g) Totals do not include accrued interest receivable, which was $13 million at both March 31, 2024, and December 31, 2023. Accrued interest receivable is included in other assets on our Condensed Consolidated Balance Sheet.

In the fourth quarter of 2023, non-agency mortgage-backed residential securities with a fair value of $3.6 billion were transferred from available-for-sale to held-to-maturity. At the time of the transfer, $911 million of unrealized losses were retained in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheet. The transfer of these securities to held-to-maturity reduces our exposure to fluctuations in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheet that can result from unrealized losses on available-for-sale securities due to changes in market interest rates. The unrealized loss at the time of transfer is amortized over the remaining life of the security, offsetting the amortization of the security's premium or discount, and resulting in no impact to the Condensed Consolidated Statement of Comprehensive (Loss) Income. Refer to Note 16 for additional information.

The maturity distribution of debt securities outstanding is summarized in the following tables based upon contractual maturities. Call or prepayment options may cause actual maturities to differ from contractual maturities.

	Total		Due in one year or less		Due after one year through five years		Due after five years through ten years		Due after ten years	
($ in millions)	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
March 31, 2024										
Fair value of available-for-sale securities (a)										
U.S. Treasury and federal agencies	**$ 2,057**	**1.6 %**	**$ 218**	**0.9 %**	**$ 1,112**	**1.5 %**	**$ 727**	**1.9 %**	**$ —**	**— %**
U.S. States and political subdivisions	**643**	**3.2**	**4**	**3.2**	**61**	**3.0**	**102**	**3.6**	**476**	**3.2**
Foreign government	**182**	**2.4**	**23**	**1.8**	**77**	**2.5**	**82**	**2.5**	**—**	**—**
Agency mortgage-backed residential (b)	**14,752**	**2.6**	**—**	**—**	**9**	**1.9**	**30**	**2.5**	**14,713**	**2.6**
Mortgage-backed residential	**219**	**2.7**	**—**	**—**	**—**	**—**	**—**	**—**	**219**	**2.7**
Agency mortgage-backed commercial (b)	**3,800**	**2.4**	**—**	**—**	**184**	**3.9**	**1,680**	**2.4**	**1,936**	**2.1**
Asset-backed	**301**	**1.7**	**—**	**—**	**297**	**1.7**	**4**	**3.9**	**—**	**—**
Corporate debt	**1,730**	**2.7**	**210**	**2.6**	**885**	**2.6**	**630**	**2.9**	**5**	**6.1**
Total available-for-sale securities	**$ 23,684**	**2.5**	**$ 455**	**1.8**	**$ 2,625**	**2.1**	**$ 3,255**	**2.4**	**$ 17,349**	**2.5**
Amortized cost of available-for-sale securities	**$ 28,114**		**$ 465**		**$ 2,808**		**$ 3,762**		**$ 21,079**	
Amortized cost of held-to-maturity securities										
Agency mortgage-backed residential	**$ 984**	**2.8 %**	**$ —**	**— %**	**$ —**	**— %**	**$ —**	**— %**	**$ 984**	**2.8 %**
Mortgage-backed residential	**3,544**	**2.8**	**—**	**—**	**—**	**—**	**11**	**3.0**	**3,533**	**2.8**
Asset-backed retained notes	**127**	**5.5**	**13**	**5.5**	**76**	**5.4**	**37**	**5.5**	**1**	**6.8**
Total held-to-maturity securities	**$ 4,655**	**2.9**	**$ 13**	**5.5**	**$ 76**	**5.4**	**$ 48**	**4.9**	**$ 4,518**	**3.8**
December 31, 2023										
Fair value of available-for-sale securities (a)										
U.S. Treasury and federal agencies	$ 2,075	1.6 %	$ 215	0.9 %	$ 1,120	1.5 %	$ 740	1.9 %	$ —	— %
U.S. States and political subdivisions	658	3.2	4	3.4	55	2.7	110	3.6	489	3.1
Foreign government	183	2.3	20	1.3	82	2.4	81	2.5	—	—
Agency mortgage-backed residential (b)	15,384	2.6	—	—	10	1.9	32	2.5	15,342	2.6
Mortgage-backed residential	225	2.7	—	—	—	—	—	—	225	2.7
Agency mortgage-backed commercial (b)	3,758	2.3	—	—	163	3.8	1,641	2.4	1,954	2.1
Asset-backed	332	1.7	—	—	327	1.7	4	3.9	1	2.7
Corporate debt	1,800	2.7	210	2.4	915	2.6	671	2.9	4	6.2
Total available-for-sale securities	$ 24,415	2.5	$ 449	1.7	$ 2,672	2.1	$ 3,279	2.4	$ 18,015	2.5
Amortized cost of available-for-sale securities	$ 28,416		$ 461		$ 2,844		$ 3,746		$ 21,365	
Amortized cost of held-to-maturity securities										
Agency mortgage-backed residential	$ 999	2.8 %	$ —	— %	$ —	— %	$ —	— %	$ 999	2.8 %
Mortgage-backed residential	3,603	2.8	—	—	—	—	12	3.0	3,591	2.8
Asset-backed retained notes	78	5.6	1	5.6	41	5.6	2	6.0	34	5.6
Total held-to-maturity securities	$ 4,680	2.8	$ 1	5.6	$ 41	5.6	$ 14	3.4	$ 4,624	2.8

(a) Yield is calculated using the effective yield of each security at the end of the period, weighted based on the market value. The effective yield considers the contractual coupon and amortized cost, and excludes expected capital gains and losses.

(b) Fair value includes basis adjustments for securities in closed portfolios with active hedges under the portfolio layer method. This includes a $77 million liability and a $46 million asset for agency mortgage-backed residential securities at March 31, 2024, and December 31, 2023, respectively, and a $32 million liability and $29 million asset for agency mortgage-backed commercial securities at March 31, 2024, and December 31, 2023. These basis adjustments would be allocated to the amortized cost of specific securities within the pool if the hedge was dedesignated. Refer to Note 19 for additional information.

The balances of cash equivalents were $386 million and $36 million at March 31, 2024, and December 31, 2023, respectively, and were composed primarily of money-market funds and short-term securities.

The following table presents interest and dividends on investment securities.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Taxable interest	**$ 245**	$ 217
Taxable dividends	**4**	3
Interest and dividends exempt from U.S. federal income tax	**6**	6
Interest and dividends on investment securities	**$ 255**	$ 226

The following table presents gross gains and losses realized upon the sales of available-for-sale securities, and net gains or losses on equity securities held during the period.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Available-for-sale securities		
Gross realized gains	**$ 1**	$ 5
Net realized gain on available-for-sale securities	**1**	5
Net realized gain on equity securities	**17**	5
Net unrealized gain on equity securities	**11**	64
Other gain on investments, net	**$ 29**	$ 74

The following table presents the credit quality of our held-to-maturity securities, based on the latest available information as of March 31, 2024, and December 31, 2023. The credit ratings are sourced from nationally recognized statistical rating organizations, which include S&P, Moody's, and Fitch. The ratings presented are a composite of the ratings sourced from the agencies or, if the ratings cannot be sourced from the agencies, are based on the asset type of the particular security. All our held-to-maturity securities were current in their payment of principal and interest as of both March 31, 2024, and December 31, 2023. We have not recorded any interest income reversals on our held-to-maturity securities during the three months ended March 31, 2024, or 2023.

($ in millions)	AAA	AA	A	BBB	Total (a)
March 31, 2024					
Debt securities					
Agency mortgage-backed residential	**$ —**	**$ 984**	**$ —**	**$ —**	**$ 984**
Mortgage-backed residential	**3,442**	**89**	**13**	**—**	**3,544**
Asset-backed retained notes	**118**	**4**	**3**	**2**	**127**
Total held-to-maturity securities	**$ 3,560**	**$ 1,077**	**$ 16**	**$ 2**	**$ 4,655**
December 31, 2023					
Debt securities					
Agency mortgage-backed residential	$ —	$ 999	$ —	$ —	$ 999
Mortgage-backed residential	3,497	93	13	—	3,603
Asset-backed retained notes	73	2	2	1	78
Total held-to-maturity securities	$ 3,570	$ 1,094	$ 15	$ 1	$ 4,680

(a) Rating agencies indicate that they base their ratings on many quantitative and qualitative factors, which may include capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current operating, legislative, and regulatory environment. A credit rating is not a recommendation to buy, sell, or hold securities, and the ratings are subject to revision or withdrawal at any time by the assigning rating agency.

The following table summarizes available-for-sale securities in an unrealized loss position, which we evaluated to determine if a credit loss exists requiring the recognition of an allowance for credit losses. For additional information on our methodology, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K. As of March 31, 2024, and December 31, 2023, we did not have the intent to sell the available-for-sale securities with an unrealized loss position and we do not believe it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis. We have not recorded any interest income reversals on our available-for-sale securities during the three months ended March 31, 2024, or 2023.

	March 31, 2024				December 31, 2023			
	Less than 12 months		**12 months or longer**		Less than 12 months		12 months or longer	
($ in millions)	**Fair value**	**Unrealized loss**	**Fair value**	**Unrealized loss**	Fair value	Unrealized loss	Fair value	Unrealized loss
Available-for-sale securities								
Debt securities								
U.S. Treasury and federal agencies	**$ —**	**$ —**	**$ 2,057**	**$ (229)**	$ —	$ —	$ 2,075	$ (209)
U.S. States and political subdivisions	**112**	**(1)**	**488**	**(76)**	70	—	501	(70)
Foreign government	**27**	**(1)**	**130**	**(9)**	16	—	134	(8)
Agency mortgage-backed residential (a)	**123**	**(2)**	**14,606**	**(3,077)**	300	(5)	15,015	(2,734)
Mortgage-backed residential	**—**	**—**	**219**	**(45)**	—	—	225	(43)
Agency mortgage-backed commercial (a)	**167**	**(5)**	**3,448**	**(830)**	153	(4)	3,472	(779)
Asset-backed	**18**	**—**	**275**	**(9)**	18	—	302	(12)
Corporate debt	**53**	**(1)**	**1,558**	**(149)**	33	(1)	1,607	(145)
Total available-for-sale securities	**$ 500**	**$ (10)**	**$ 22,781**	**$ (4,424)**	$ 590	$ (10)	$ 23,331	$ (4,000)

(a) Includes basis adjustments for certain securities that are included in closed portfolios with active hedges under the portfolio layer method at March 31, 2024, and December 31, 2023. The basis adjustments would be allocated to the amortized cost of specific securities within the pool if the hedge was dedesignated. Refer to Note 19 for additional information.

During the three months ended March 31, 2024, and 2023, management determined that there were no expected credit losses for securities in an unrealized loss position. This analysis considered a variety of factors including, but not limited to, performance indicators of the issuer, default rates, industry analyst reports, credit ratings, and other relevant information, which indicated that contractual cash flows are expected to occur. As a result of this evaluation, management determined that no credit reserves were required at March 31, 2024, or December 31, 2023.

8. Finance Receivables and Loans, Net

The composition of finance receivables and loans reported at amortized cost basis was as follows.

($ in millions)	**March 31, 2024**	December 31, 2023
Consumer automotive (a)	**$ 83,406**	$ 84,320
Consumer mortgage		
Mortgage Finance (b)	**18,227**	18,442
Mortgage — Legacy (c)	**214**	225
Total consumer mortgage	**18,441**	18,667
Consumer other		
Credit Card	**1,962**	1,990
Total consumer other	**1,962**	1,990
Total consumer	**103,809**	104,977
Commercial		
Commercial and industrial		
Automotive	**19,163**	18,700
Other	**8,911**	9,712
Commercial real estate	**6,077**	6,050
Total commercial	**34,151**	34,462
Total finance receivables and loans (d) (e)	**$ 137,960**	$ 139,439

(a) Certain finance receivables and loans are included in fair value hedging relationships. Refer to Note 19 for additional information.
(b) Includes loans originated as interest-only mortgage loans of $2 million at both March 31, 2024, and December 31, 2023, of which all have exited the interest-only period.
(c) Includes loans originated as interest-only mortgage loans of $12 million and $13 million at March 31, 2024, and December 31, 2023, respectively, of which all have exited the interest-only period.
(d) Totals include net unearned income, unamortized premiums and discounts, and deferred fees and costs of $2.3 billion at both March 31, 2024, and December 31, 2023.
(e) Totals do not include accrued interest receivable, which was $856 million and $853 million at March 31, 2024, and December 31, 2023, respectively. Accrued interest receivable is included in other assets on our Condensed Consolidated Balance Sheet. Billed interest on our credit card loans is included within finance receivables and loans, net.

The following tables present an analysis of the activity in the allowance for loan losses on finance receivables and loans for the three months ended March 31, 2024, and 2023, respectively.

Three months ended March 31, 2024 *($ in millions)*	**Consumer automotive**	**Consumer mortgage**	**Consumer other**	**Commercial**	**Total**
Allowance at January 1, 2024	**$ 3,083**	**$ 21**	**$ 293**	**$ 190**	**$ 3,587**
Charge-offs (a)	**(688)**	**(1)**	**(68)**	**(1)**	**(758)**
Recoveries	**211**	**1**	**6**	**1**	**219**
Net charge-offs	**(477)**	**—**	**(62)**	**—**	**(539)**
Write-downs from transfers to held-for-sale (b)	**(5)**	**—**	**—**	**—**	**(5)**
Provision for credit losses	**449**	**—**	**60**	**(2)**	**507**
Allowance at March 31, 2024	**$ 3,050**	**$ 21**	**$ 291**	**$ 188**	**$ 3,550**

(a) Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for information regarding our charge-off policies.
(b) Consumer automotive includes a $5 million reduction of allowance from the completion of a retail securitization transaction during the three months ended March 31, 2024, resulting in the deconsolidation of the assets and liabilities from our Condensed Consolidated Balance Sheet. Refer to Note 10 for further information.

Three months ended March 31, 2023 *($ in millions)*	Consumer automotive	Consumer mortgage	Consumer other (a)	Commercial	Total
Allowance at January 1, 2023	$ 3,020	$ 27	$ 426	$ 238	$ 3,711
Charge-offs (b)	(536)	(1)	(64)	—	(601)
Recoveries	185	2	5	—	192
Net charge-offs	(351)	1	(59)	—	(409)
Provision for credit losses (c)	353	(4)	88	12	449
Other	—	(1)	—	1	—
Allowance at March 31, 2023	$ 3,022	$ 23	$ 455	$ 251	$ 3,751

(a) Excludes $3 million and $2 million of finance receivables and loans at January 1, 2023, and March 31, 2023, respectively, for which we have elected the fair value option and incorporate no allowance for loan losses.
(b) Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for information regarding our charge-off policies.
(c) Excludes $3 million of benefit for credit losses related to our reserve for unfunded commitments. The liability related to the reserve for unfunded commitments is included in accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet.

The following table presents sales of finance receivables and loans and transfers of finance receivables and loans from held-for-investment to held-for-sale based on net carrying value.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Consumer automotive	**$ 1,108**	$ —
Consumer mortgage	**—**	1
Commercial	**45**	—
Total sales and transfers	**$ 1,153**	$ 1

The following table presents purchases of finance receivables and loans based on unpaid principal balance at the time of purchase.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Consumer automotive	**$ 981**	$ 758
Consumer mortgage	**4**	2
Commercial	**—**	7
Total purchases of finance receivables and loans	**$ 985**	$ 767

Nonaccrual Loans

The following table presents the amortized cost of our finance receivables and loans on nonaccrual status. All consumer or commercial finance receivables and loans that were 90 days or more past due were on nonaccrual status as of March 31, 2024, and December 31, 2023. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information on our accounting policy for finance receivables and loans on nonaccrual status.

	March 31, 2024			December 31, 2023		
($ in millions)	Nonaccrual status at Jan. 1, 2024	Nonaccrual status	Nonaccrual with no allowance (a)	Nonaccrual status at Jan. 1, 2023	Nonaccrual status	Nonaccrual with no allowance (a)
Consumer automotive	**$ 1,129**	**$ 1,010**	**$ 507**	$ 1,187	$ 1,129	$ 531
Consumer mortgage						
Mortgage Finance	**41**	**33**	**20**	34	41	21
Mortgage — Legacy	**13**	**12**	**11**	15	13	12
Total consumer mortgage	**54**	**45**	**31**	49	54	33
Consumer other						
Personal Lending (b)	**—**	**—**	**—**	13	—	—
Credit Card	**92**	**94**	**—**	43	92	—
Total consumer other	**92**	**94**	**—**	56	92	—
Total consumer	**1,275**	**1,149**	**538**	1,292	1,275	564
Commercial						
Commercial and industrial						
Automotive	**18**	**5**	**4**	5	18	13
Other	**98**	**97**	**5**	157	98	5
Commercial real estate	**3**	**1**	**—**	—	3	3
Total commercial	**119**	**103**	**9**	162	119	21
Total finance receivables and loans (c)	**$ 1,394**	**$ 1,252**	**$ 547**	$ 1,454	$ 1,394	$ 585

(a) Represents a component of nonaccrual status at end of period.
(b) Personal Lending finance receivables and loans were transferred to loans held-for-sale, and were included in assets of operations held-for-sale on our Condensed Consolidated Balance Sheet at December 31, 2023. We closed the sale of Ally Lending during the three months ended March 31, 2024. Refer to Note 2 for additional information.
(c) We recorded interest income from cash payments associated with finance receivables and loans on nonaccrual status of $5 million and $3 million for the three months ended March 31, 2024, and 2023, respectively.

Credit Quality Indicators

We evaluate the credit quality of our consumer loan portfolio based on the aging status of the loan and by payment activity. Loan delinquency reporting is generally based upon borrower payment activity, relative to the contractual terms of the loan.

The following tables present the amortized cost basis of our consumer finance receivables and loans by credit quality indicator based on delinquency status and origination year.

	Origination year								
March 31, 2024 *($ in millions)*	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 and prior**	**Revolving loans**	**Revolving loans converted to term**	**Total**
Consumer automotive									
Current	$ 8,543	$ 27,814	$ 21,394	$ 12,627	$ 5,236	$ 4,062	$ —	$ —	$ 79,676
30–59 days past due	15	556	874	598	218	226	—	—	2,487
60–89 days past due	—	191	388	247	87	84	—	—	997
90 or more days past due	—	77	146	99	37	47	—	—	406
Total consumer automotive (a)	8,558	28,638	22,802	13,571	5,578	4,419	—	—	83,566
Consumer mortgage									
Mortgage Finance									
Current	34	149	2,148	10,256	1,817	3,747	—	—	18,151
30–59 days past due	—	—	10	12	1	22	—	—	45
60–89 days past due	—	—	1	1	—	4	—	—	6
90 or more days past due	—	—	1	4	3	17	—	—	25
Total Mortgage Finance	34	149	2,160	10,273	1,821	3,790	—	—	18,227
Mortgage — Legacy									
Current	—	—	—	—	—	50	133	16	199
30–59 days past due	—	—	—	—	—	3	2	—	5
90 or more days past due	—	—	—	—	—	6	2	2	10
Total Mortgage — Legacy	—	—	—	—	—	59	137	18	214
Total consumer mortgage	34	149	2,160	10,273	1,821	3,849	137	18	18,441
Consumer other									
Credit Card									
Current	—	—	—	—	—	—	1,808	—	1,808
30–59 days past due	—	—	—	—	—	—	33	—	33
60–89 days past due	—	—	—	—	—	—	30	—	30
90 or more days past due	—	—	—	—	—	—	91	—	91
Total Credit Card	—	—	—	—	—	—	1,962	—	1,962
Total consumer other	—	—	—	—	—	—	1,962	—	1,962
Total consumer	$ 8,592	$ 28,787	$ 24,962	$ 23,844	$ 7,399	$ 8,268	$ 2,099	$ 18	$ 103,969

(a) Certain consumer automotive loans are included in fair value hedging relationships. The amortized cost excludes a liability of $160 million related to basis adjustments for loans in closed portfolios with active hedges under the portfolio layer method at March 31, 2024. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was dedesignated. Refer to Note 19 for additional information.

December 31, 2023 (*$ in millions*)	Origination year 2023	2022	2021	2020	2019	2018 and prior	Revolving loans	Revolving loans converted to term	Total
Consumer automotive									
Current	$ 30,677	$ 23,699	$ 14,209	$ 6,132	$ 3,306	$ 1,876	$ —	$ —	$ 79,899
30–59 days past due	539	1,041	739	270	181	122	—	—	2,892
60–89 days past due	170	443	303	109	68	45	—	—	1,138
90 or more days past due	64	167	122	44	32	28	—	—	457
Total consumer automotive (a)	31,450	25,350	15,373	6,555	3,587	2,071	—	—	84,386
Consumer mortgage									
Mortgage Finance									
Current	152	2,170	10,374	1,836	747	3,073	—	—	18,352
30–59 days past due	1	8	14	3	3	20	—	—	49
60–89 days past due	—	2	4	3	—	5	—	—	14
90 or more days past due	—	1	4	1	2	19	—	—	27
Total Mortgage Finance	153	2,181	10,396	1,843	752	3,117	—	—	18,442
Mortgage — Legacy									
Current	—	—	—	—	—	51	142	17	210
30–59 days past due	—	—	—	—	—	3	—	1	4
60–89 days past due	—	—	—	—	—	1	1	—	2
90 or more days past due	—	—	—	—	—	6	2	1	9
Total Mortgage — Legacy	—	—	—	—	—	61	145	19	225
Total consumer mortgage	153	2,181	10,396	1,843	752	3,178	145	19	18,667
Consumer other									
Credit Card									
Current	—	—	—	—	—	—	1,828	—	1,828
30–59 days past due	—	—	—	—	—	—	39	—	39
60–89 days past due	—	—	—	—	—	—	34	—	34
90 or more days past due	—	—	—	—	—	—	89	—	89
Total Credit Card	—	—	—	—	—	—	1,990	—	1,990
Total consumer other (b)	—	—	—	—	—	—	1,990	—	1,990
Total consumer	$ 31,603	$ 27,531	$ 25,769	$ 8,398	$ 4,339	$ 5,249	$ 2,135	$ 19	$ 105,043

(a) Certain consumer automotive loans are included in fair value hedging relationships. The amortized cost excludes a liability of $66 million related to basis adjustments for loans in closed portfolios with active hedges under the portfolio layer method at December 31, 2023. These basis adjustments would be allocated to the amortized cost of specific loans within the pool if the hedge was dedesignated. Refer to Note 19 for additional information.

(b) Excludes Personal Lending finance receivables and loans, which were transferred to loans held-for-sale, and were included in assets of operations held-for-sale on our Condensed Consolidated Balance Sheet at December 31, 2023. We closed the sale of Ally Lending during the three months ended March 31, 2024. Refer to Note 2 for additional information.

We evaluate the credit quality of our commercial loan portfolio using regulatory risk ratings, which are based on relevant information about the borrower’s financial condition, including current financial information, historical payment experience, credit documentation, and current economic trends, among other factors. We use the following definitions for risk ratings below Pass.

- Special mention — Loans that have a potential weakness that deserves management’s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or the institution’s credit position at some future date.
- Substandard — Loans that are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. These loans have a well-defined weakness or weakness that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

- Doubtful — Loans that have all the weaknesses inherent in those classified as substandard, with the additional characteristic that the weaknesses make collection or liquidation in full, based on the basis of currently existing facts, conditions, and values, highly questionable and improbable.
- Loss — Loans that are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather that it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future.

The regulatory risk classification utilized is influenced by internal credit risk ratings, which are based on a variety of factors. A borrower's internal credit risk rating is updated at least annually, and more frequently when a borrower's credit profile changes, including when we become aware of potential credit deterioration. The following tables present the amortized cost basis of our commercial finance receivables and loans by credit quality indicator based on risk rating and origination year.

	Origination year								
March 31, 2024 *($ in millions)*	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 and prior**	**Revolving loans**	**Revolving loans converted to term**	**Total**
Commercial									
Commercial and industrial									
Automotive									
Pass	$ 197	$ 470	$ 481	$ 152	$ 89	$ 71	$ 16,790	$ —	$ 18,250
Special mention	1	5	7	29	1	13	760	—	816
Substandard	—	—	—	—	—	—	39	—	39
Doubtful	—	—	—	—	—	1	57	—	58
Total automotive	198	475	488	181	90	85	17,646	—	19,163
Other									
Pass	87	300	588	310	242	378	5,538	182	7,625
Special mention	—	—	227	218	181	153	193	28	1,000
Substandard	—	27	—	45	57	83	26	11	249
Doubtful	—	—	—	—	—	26	10	—	36
Loss	—	—	—	—	—	1	—	—	1
Total other	87	327	815	573	480	641	5,767	221	8,911
Commercial real estate									
Pass	172	1,037	1,445	1,115	865	1,337	—	30	6,001
Special mention	—	8	18	27	5	17	—	—	75
Substandard	—	—	—	—	—	1	—	—	1
Total commercial real estate	172	1,045	1,463	1,142	870	1,355	—	30	6,077
Total commercial	$ 457	$ 1,847	$ 2,766	$ 1,896	$ 1,440	$ 2,081	$ 23,413	$ 251	$ 34,151

December 31, 2023 *($ in millions)*	Origination year 2023	2022	2021	2020	2019	2018 and prior	Revolving loans	Revolving loans converted to term	Total
Commercial									
Commercial and industrial									
Automotive									
Pass	$ 509	$ 512	$ 165	$ 97	$ 58	$ 22	$ 16,446	$ —	$ 17,809
Special mention	6	7	30	1	1	14	723	—	782
Substandard	—	1	—	—	—	—	44	—	45
Doubtful	—	—	—	—	—	1	63	—	64
Total automotive	515	520	195	98	59	37	17,276	—	18,700
Other									
Pass	331	646	343	405	266	180	6,202	173	8,546
Special mention	—	208	188	206	51	85	198	25	961
Substandard	—	—	46	3	—	83	25	11	168
Doubtful	—	—	—	—	—	26	10	—	36
Loss	—	—	—	—	1	—	—	—	1
Total other	331	854	577	614	318	374	6,435	209	9,712
Commercial real estate									
Pass	971	1,452	1,129	884	607	811	100	26	5,980
Special mention	3	16	28	1	18	—	—	—	66
Substandard	—	3	—	—	—	1	—	—	4
Total commercial real estate	974	1,471	1,157	885	625	812	100	26	6,050
Total commercial	$ 1,820	$ 2,845	$ 1,929	$ 1,597	$ 1,002	$ 1,223	$ 23,811	$ 235	$ 34,462

The following table presents an analysis of our past-due commercial finance receivables and loans recorded at amortized cost basis.

($ in millions)	**30–59 days past due**	**60–89 days past due**	**90 days or more past due**	**Total past due**	**Current**	**Total finance receivables and loans**
March 31, 2024						
Commercial						
Commercial and industrial						
Automotive	**$ 4**	**$ —**	**$ —**	**$ 4**	**$ 19,159**	**$ 19,163**
Other	**—**	**—**	**—**	**—**	**8,911**	**8,911**
Commercial real estate	**—**	**—**	**—**	**—**	**6,077**	**6,077**
Total commercial	**$ 4**	**$ —**	**$ —**	**$ 4**	**$ 34,147**	**$ 34,151**
December 31, 2023						
Commercial						
Commercial and industrial						
Automotive	$ —	$ —	$ —	$ —	$ 18,700	$ 18,700
Other	2	—	3	5	9,707	9,712
Commercial real estate	—	—	—	—	6,050	6,050
Total commercial	$ 2	$ —	$ 3	$ 5	$ 34,457	$ 34,462

The following tables present gross charge-offs of our finance receivables and loans for each portfolio class by origination year during the three months ended March 31, 2024, and during the year ended December 31, 2023, respectively. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information on our charge-off policy.

	Origination year								
March 31, 2024 *($ in millions)*	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 and prior**	**Revolving loans**	**Revolving loans converted to term**	**Total**
Consumer automotive (a)	$ 1	$ 182	$ 263	$ 152	$ 41	$ 49	$ —	$ —	$ 688
Consumer mortgage									
Mortgage Finance	—	—	—	1	—	—	—	—	1
Total consumer mortgage	—	—	—	1	—	—	—	—	1
Consumer other									
Credit Card	—	—	—	—	—	—	64	4	68
Total consumer other	—	—	—	—	—	—	64	4	68
Total consumer	1	182	263	153	41	49	64	4	757
Commercial									
Commercial and industrial									
Automotive	—	—	—	—	—	—	1	—	1
Total commercial	—	—	—	—	—	—	1	—	1
Total finance receivables and loans	$ 1	$ 182	$ 263	$ 153	$ 41	$ 49	$ 65	$ 4	$ 758

(a) Excludes $5 million of write-downs from transfers to held-for-sale from the completion of a retail securitization transaction during the three months ended March 31, 2024, resulting in the deconsolidation of the assets and liabilities from our Condensed Consolidated Balance Sheet. Refer to Note 10 for additional information.

	Origination year								
December 31, 2023 *($ in millions)*	2023	2022	2021	2020	2019	2018 and prior	Revolving loans	Revolving loans converted to term	Total
Consumer automotive (a)	$ 225	$ 952	$ 651	$ 194	$ 142	$ 120	$ —	$ —	$ 2,284
Consumer mortgage									
Mortgage Finance	—	—	—	—	—	1	—	—	1
Mortgage — Legacy	—	—	—	—	—	2	—	—	2
Total consumer mortgage	—	—	—	—	—	3	—	—	3
Consumer other									
Personal Lending (b)	14	82	29	3	—	—	—	—	128
Credit Card	—	—	—	—	—	—	165	10	175
Total consumer other	14	82	29	3	—	—	165	10	303
Total consumer	239	1,034	680	197	142	123	165	10	2,590
Commercial									
Commercial and industrial									
Automotive	—	—	—	—	—	5	19	—	24
Other	—	—	—	—	79	23	4	—	106
Total commercial	—	—	—	—	79	28	23	—	130
Total finance receivables and loans	$ 239	$ 1,034	$ 680	$ 197	$ 221	$ 151	$ 188	$ 10	$ 2,720

(a) Excludes $41 million of write-downs from transfers to held-for-sale from the sales of retained interests related to securitizations during 2023, resulting in the deconsolidation of the assets and liabilities from our Condensed Consolidated Balance Sheet. Refer to Note 11 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information.
(b) Excludes $174 million of write-downs from the transfer to held-for-sale related to Personal Lending. Refer to Note 2 for additional information.

Loan Modifications

The following tables present the amortized cost basis of loans that were modified subsequent to origination during the three months ended March 31, 2024, and 2023, respectively, for each portfolio segment, by modification type. For additional information on loan modification types in scope of this disclosure, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K. The below tables exclude consumer mortgage finance receivables and loans currently enrolled in a trial modification program. Trial modifications generally represent a three-month period during which the borrower makes monthly payments under the anticipated modified payment terms. If the borrower successfully completes the trial loan modification program, the contractual terms of the loan are updated and the modification is considered permanent. As of March 31, 2024, and December 31, 2023, there were $2 million and $5 million of consumer mortgage finance receivables and loans in a trial modification program, respectively.

	Payment extensions					
Three months ended March 31, 2024 *($ in millions)*	**Payment deferrals**	**Contractual maturity extensions**	**Principal forgiveness**	**Interest rate concessions**	**Combination**	**Total (a)**
Consumer automotive	**$ —**	**$ 99**	**$ 1**	**$ —**	**$ —**	**$ 100**
Consumer mortgage						
Mortgage — Legacy	**—**	**—**	**—**	**—**	**1**	**1**
Total consumer mortgage	**—**	**—**	**—**	**—**	**1**	**1**
Consumer other						
Credit Card	**—**	**—**	**—**	**6**	**—**	**6**
Total consumer other	**—**	**—**	**—**	**6**	**—**	**6**
Total consumer	**—**	**99**	**1**	**6**	**1**	**107**
Commercial						
Commercial and industrial						
Automotive	**—**	**—**	**—**	**4**	**—**	**4**
Other	**—**	**129**	**—**	**—**	**—**	**129**
Total commercial	**—**	**129**	**—**	**4**	**—**	**133**
Total finance receivables and loans	**$ —**	**$ 228**	**$ 1**	**$ 10**	**$ 1**	**$ 240**

(a) Represents 0.2% of total finance receivables and loans outstanding as of March 31, 2024.

	Payment extensions					
Three months ended March 31, 2023 *($ in millions)*	Payment deferrals	Contractual maturity extensions	Principal forgiveness	Interest rate concessions	Combination	Total (a)
Consumer automotive	$ —	$ 14	$ 2	$ —	$ 39	$ 55
Consumer mortgage						
Mortgage Finance	—	2	—	—	2	4
Total consumer mortgage	—	2	—	—	2	4
Consumer other						
Credit Card	—	—	—	3	—	3
Total consumer other	—	—	—	3	—	3
Total consumer	—	16	2	3	41	62
Commercial						
Commercial and industrial						
Other	62	7	—	—	—	69
Total commercial	62	7	—	—	—	69
Total finance receivables and loans	$ 62	$ 23	$ 2	$ 3	$ 41	$ 131

(a) Represents 0.1% of total finance receivables and loans outstanding as of March 31, 2023.

The following tables present the financial effect of loan modifications that occurred during the three months ended March 31, 2024, and 2023, respectively.

	Payment extensions (a)	Principal forgiveness	Interest rate concessions (a)		Combination (a) (b)			
Three months ended March 31, 2024 *($ in millions)*	**Number of months extended/deferred**	**Amount forgiven**	**Initial rate**	**Revised rate**	**Remaining term**	**Revised remaining term**	**Initial rate**	**Revised rate**
Consumer automotive	**29**	**$ —**	**— %**	**— %**	**—**	**—**	**— %**	**— %**
Consumer mortgage								
Mortgage — Legacy	**—**	**—**	**—**	**—**	**355**	**480**	**3.5**	**3.4**
Total consumer mortgage	**—**	**—**	**—**	**—**	**355**	**480**	**3.5**	**3.4**
Consumer other								
Credit Card	**—**	**—**	**30.5**	**10.1**	**—**	**—**	**—**	**—**
Total consumer other	**—**	**$ —**	**30.5**	**10.1**	**—**	**—**	**—**	**—**
Commercial								
Commercial and industrial								
Automotive	**—**	**$ —**	**12.9 %**	**11.5 %**	**—**	**—**	**— %**	**— %**
Other	**41**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial	**41**	**$ —**	**12.9**	**11.5**	**—**	**—**	**—**	**—**

(a) Calculated using a weighted-average balance for each portfolio class.
(b) Term is presented in number of months.

	Payment extensions (a)	Principal forgiveness	Interest rate concessions (a)		Combination (a) (b)			
Three months ended March 31, 2023 *($ in millions)*	Number of months extended/deferred	Amount forgiven	Initial rate	Revised rate	Remaining term	Revised remaining term	Initial rate	Revised rate
Consumer automotive	26	$ 1	— %	— %	74	85	10.4 %	9.7 %
Consumer mortgage								
Mortgage Finance	159	—	—	—	314	467	4.9	3.9
Total consumer mortgage	159	—	—	—	314	467	4.9	3.9
Consumer other								
Credit Card	—	—	29.6	10.6	—	—	—	—
Total consumer other	—	$ —	29.6	10.6	—	—	—	—
Commercial								
Commercial and industrial								
Other	12	$ —	— %	— %	—	—	— %	— %
Total commercial	12	$ —	—	—	—	—	—	—

(a) Calculated using a weighted-average balance for each portfolio class.
(b) Term is presented in number of months.

The following tables present the subsequent performance of loans recorded at amortized cost, by portfolio segment and credit quality indicator, that were modified within the 12 months prior to March 31, 2024.

March 31, 2024 *($ in millions)*	**Current**	**30–59 days past due**	**60–89 days past due**	**90 or more days past due**	**Total**
Consumer automotive					
Contractual maturity extensions	$ 253	$ 38	$ 10	$ 2	$ 303
Principal forgiveness	6	1	—	5	12
Total consumer automotive	259	39	10	7	315
Consumer mortgage					
Mortgage Finance					
Contractual maturity extensions	1	—	—	—	1
Combination	1	—	—	—	1
Total Mortgage Finance	2	—	—	—	2
Mortgage — Legacy					
Contractual maturity extensions	1	—	—	—	1
Combination	1	—	—	—	1
Total Mortgage — Legacy	2	—	—	—	2
Total consumer mortgage	4	—	—	—	4
Consumer other					
Credit Card					
Interest rate concessions	9	1	1	3	14
Total consumer other	9	1	1	3	14
Total consumer	$ 272	$ 40	$ 11	$ 10	$ 333

March 31, 2024 *($ in millions)*	**Pass**	**Special mention**	**Substandard**	**Doubtful**	**Total**
Commercial and industrial					
Automotive					
Interest rate concessions	$ —	$ —	$ 4	$ —	$ 4
Other					
Contractual maturity extensions	107	—	60	—	167
Total commercial	$ 107	$ —	$ 64	$ —	$ 171

As of March 31, 2024, 481 consumer automotive loans with a total amortized cost of $11 million redefaulted within 12 months of modification.

The following tables present the subsequent performance of loans recorded at amortized cost, by portfolio segment and credit quality indicator, that were modified during the three months ended March 31, 2023.

March 31, 2023 *($ in millions)*	Current	30–59 days past due	60–89 days past due	90 or more days past due	Total
Consumer automotive					
Contractual maturity extensions	$ 13	$ 1	$ —	$ —	$ 14
Principal forgiveness	—	—	—	2	2
Combination	37	2	—	—	39
Total consumer automotive	50	3	—	2	55
Consumer mortgage					
Mortgage Finance					
Contractual maturity extensions	2	—	—	—	2
Combination	—	—	2	—	2
Total Mortgage Finance	2	—	2	—	4
Total consumer mortgage	2	—	2	—	4
Consumer other					
Credit Card					
Interest rate concessions	1	1	—	1	3
Total consumer other	1	1	—	1	3
Total consumer	$ 53	$ 4	$ 2	$ 3	$ 62

March 31, 2023 *($ in millions)*	Special mention	Substandard	Doubtful	Total
Commercial and industrial				
Other				
Payment deferrals	$ —	$ 34	$ 28	$ 62
Contractual maturity extensions	7	—	—	7
Total commercial	$ 7	$ 34	$ 28	$ 69

During the three months ended March 31, 2023, 12 consumer automotive loans with a total amortized cost of $1 million redefaulted.

9. Leasing

Ally as the Lessee

We have operating leases for certain of our corporate facilities, which have remaining lease terms of 2 months to 7 years. Most of the property leases have fixed payment terms with annual fixed-escalation clauses and include options to extend or terminate the lease. We do not include these term extensions or termination provisions in our estimates of the lease term if we do not consider it reasonably certain that the options will be exercised.

We also have operating leases for a fleet of vehicles that is used by our sales force for business purposes, with noncancelable lease terms of 367 days. Thereafter, the leases are month-to-month, up to a maximum of 48 months from inception.

During both the three months ended March 31, 2024, and March 31, 2023, we paid $8 million in cash for amounts included in the measurement of lease liabilities. These amounts are included in net cash provided by operating activities in the Condensed Consolidated Statement of Cash Flows. During the three months ended March 31, 2024, we obtained $16 million of ROU assets in exchange for new lease liabilities. As of March 31, 2024, the weighted-average remaining lease term of our operating lease portfolio was 4 years, and the weighted-average discount rate was 3.12%, compared to 4 years and 2.85% as of December 31, 2023.

The following table presents future minimum rental payments we are required to make under operating leases that have commenced as of March 31, 2024, and that have noncancelable lease terms expiring after March 31, 2024.

($ in millions)	
2024	**$ 28**
2025	**34**
2026	**27**
2027	**21**
2028	**15**
2029 and thereafter	**3**
Total undiscounted cash flows	**128**
Difference between undiscounted cash flows and discounted cash flows	**(8)**
Total lease liability	**$ 120**

The following table details the components of total net operating lease expense.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Operating lease expense	**$ 7**	$ 7
Variable lease expense	**1**	1
Total lease expense, net (a)	**$ 8**	$ 8

(a) Included in other operating expenses in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

Ally as the Lessor

Investment in Operating Leases

We purchase consumer operating lease contracts and the associated vehicles from automotive dealerships or manufacturers after those contracts are executed. The amount we pay for an operating lease contract is based on the negotiated price for the vehicle less vehicle trade-in, down payment from the consumer, tax credits, and available automotive manufacturer incentives. Under the operating lease, the consumer is obligated to make payments in amounts equal to the amount by which the negotiated purchase price of the vehicle (less any trade-in value, down payment, tax credits, or available manufacturer incentives) exceeds the contract residual value (including residual support) of the vehicle at lease termination, plus operating lease rental charges. The customer can terminate the lease at any point after commencement, subject to additional charges and fees. The consumer, dealership, or automotive manufacturer may have the option to purchase the vehicle at the end of the lease term, which generally range from 24 to 60 months, at the residual value of the vehicle, however it is not reasonably certain this option will be exercised and accordingly our consumer leases are classified as operating leases. In addition to the charges described above, the consumer is generally responsible for certain charges related to excess mileage or excessive wear and tear on the vehicle. These charges are deemed variable lease payments and, as these payments are not based on a rate or index, they are recognized as net depreciation expense on operating lease assets in our Condensed Consolidated Statement of Comprehensive (Loss) Income as incurred.

When we acquire a consumer operating lease, we assume ownership of the vehicle. We require that property damage, bodily injury, collision, and comprehensive insurance be obtained by the lessee on all consumer operating leases. Neither the consumer, dealer, nor automotive manufacturer is responsible for the value of the vehicle at the time of lease termination. When vehicles are not purchased by customers, the receiving dealer, or automotive manufacturer at scheduled lease termination, the vehicle is returned to us for remarketing. We generally bear the risk of loss to the extent the value of a leased vehicle upon remarketing is below the expected residual value. At termination, our actual sales proceeds from remarketing the vehicle may be higher or lower than the estimated residual value resulting in a gain or loss on remarketing, which is included in net depreciation expense on operating lease assets in our Condensed Consolidated Statement of Comprehensive (Loss) Income. Excessive mileage or excessive wear and tear on the vehicle during the lease may impact the sales proceeds received upon remarketing. As of March 31, 2024, and December 31, 2023, consumer operating leases with a carrying value, net of accumulated depreciation, of $272 million and $12 million, respectively, were covered by residual value guarantees. The increase is primarily driven by a new automotive manufacturer relationship added during the three months ended March 31, 2024. As of March 31, 2024, $8 million is under a residual value guarantee of 15% of the automotive manufacturer's suggested retail price and $264 million is under a residual value guarantee of approximately 50% of the vehicles' contract residual value. As of December 31, 2023, $12 million was under a residual value guarantee of 15% of the automotive manufacturer's suggested retail price.

The following table details our investment in operating leases.

($ in millions)	March 31, 2024	December 31, 2023
Vehicles	$ 10,565	$ 11,101
Accumulated depreciation	(1,834)	(1,930)
Investment in operating leases, net	$ 8,731	$ 9,171

The following table presents future minimum rental payments we have the right to receive under operating leases with noncancelable lease terms expiring after March 31, 2024.

($ in millions)	
2024	$ 991
2025	914
2026	480
2027	101
2028	7
Total lease payments from operating leases	$ 2,493

We recognized operating lease revenue of $356 million for the three months ended March 31, 2024, and $402 million for the three months ended March 31, 2023. Depreciation expense on operating lease assets includes net remarketing gains recognized on the sale of operating lease assets. The following table summarizes the components of depreciation expense on operating lease assets.

	Three months ended March 31,	
($ in millions)	2024	2023
Depreciation expense on operating lease assets (excluding remarketing gains) (a)	$ 250	$ 273
Remarketing gains, net	(46)	(47)
Net depreciation expense on operating lease assets	$ 204	$ 226

(a) Includes variable lease payments related to excess mileage and excessive wear and tear on vehicles of $4 million during the three months ended March 31, 2024, and $2 million during the three months ended March 31, 2023.

Finance Leases

In our Automotive Finance operations, we also hold automotive leases that require finance lease treatment as prescribed by ASC Topic 842, *Leases*. Our total gross investment in finance leases, which is included in finance receivables and loans, net, on our Condensed Consolidated Balance Sheet was $539 million and $537 million as of March 31, 2024, and December 31, 2023, respectively. This includes lease payment receivables of $533 million and $531 million at March 31, 2024, and December 31, 2023, respectively, and unguaranteed residual assets of $6 million at both March 31, 2024, and December 31, 2023. Interest income on finance lease receivables was $11 million for the three months ended March 31, 2024, and $9 million for the three months ended March 31, 2023, and is included in interest and fees on finance receivables and loans in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

The following table presents future minimum rental payments we have the right to receive under finance leases with noncancelable lease terms expiring after March 31, 2024.

($ in millions)	
2024	$ 149
2025	172
2026	149
2027	90
2028	40
2029 and thereafter	17
Total undiscounted cash flows	617
Difference between undiscounted cash flows and discounted cash flows	(84)
Present value of lease payments recorded as lease receivable	$ 533

10. Securitizations and Variable Interest Entities

We securitize, transfer, and service consumer automotive loans. We often securitize these loans (also referred to as financial assets) using SPEs. An SPE is a legal entity that is designed to fulfill a specified limited need of the sponsor. Our principal use of SPEs is to obtain liquidity by securitizing certain of our financial assets. SPEs are often VIEs and may or may not be included on our Condensed Consolidated Balance Sheet. Additionally, we opportunistically sell consumer automotive and credit card whole-loans to SPEs where we have a continuing involvement.

VIEs are legal entities that either have an insufficient amount of equity at risk for the entity to finance its activities without additional subordinated financial support or, as a group, the holders of the equity investment at risk lack the ability to control the entity's activities that most significantly impact economic performance through voting or similar rights, or do not have the obligation to absorb the expected losses or the right to receive expected residual returns of the entity.

The VIEs included on the Condensed Consolidated Balance Sheet represent SPEs where we are deemed to be the primary beneficiary, primarily due to our servicing activities and our beneficial interests in the VIE that could be potentially significant.

The nature, purpose, and activities of nonconsolidated SPEs are similar to those of our consolidated SPEs with the primary difference being the nature and extent of our continuing involvement. For nonconsolidated SPEs, the transferred financial assets are removed from our balance sheet provided the conditions for sale accounting are met. The financial assets obtained from the sale are primarily reported as cash or retained interests (if applicable). Liabilities incurred as part of these sales, are recorded at fair value at the time of sale and are reported as accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet. Upon the sale of the loans, we recognize a gain or loss on sale for the difference between the assets recognized, the assets derecognized, and the liabilities recognized as part of the transaction. With respect to our ongoing right to service the assets we sell, the servicing fee we receive represents adequate compensation, and consequently, we do not recognize a servicing asset or liability

We had no pretax gains or losses on sales of financial assets into nonconsolidated VIEs during the three months ended March 31, 2024. The pretax gain on sales of financial assets into nonconsolidated VIEs was $1 million for the three months ended March 31, 2023.

We provide long-term guarantee contracts to investors in certain nonconsolidated affordable housing entities and have extended a line of credit to provide liquidity. Since we do not have control over the entities or the power to make decisions, we do not consolidate the entities and our involvement is limited to the guarantee and the line of credit.

We are involved with various other nonconsolidated equity investments, including affordable housing entities and venture capital funds and loan funds. We do not consolidate these entities and our involvement is limited to our outstanding investment, additional capital committed to these funds plus any previously recognized low-income housing tax credits that are subject to recapture.

Refer to Note 1 and Note 11 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for further description of our securitization activities and our involvement with VIEs.

The following table presents our involvement in consolidated and nonconsolidated VIEs in which we hold variable interests. We have excluded certain transactions with nonconsolidated entities from the balances presented in the table below, where our only continuing involvement relates to financial interests obtained through the ordinary course of business, primarily from lending and investing arrangements. For additional detail related to the assets and liabilities of consolidated variable interest entities refer to the Condensed Consolidated Balance Sheet.

($ in millions)	Carrying value of total assets		Carrying value of total liabilities		Assets sold to nonconsolidated VIEs (a)	Maximum exposure to loss in nonconsolidated VIEs	
March 31, 2024							
On-balance sheet variable interest entities							
Consumer automotive	**$ 15,132**	**(b)**	**$ 1,418**	**(c)**	**$ —**	**$ —**	
Off-balance sheet variable interest entities							
Consumer automotive (d) (e)	**133**	**(f)**	**—**		**3,509**	**3,642**	**(g)**
Consumer other (h)	**—**		**—**		**111**	**111**	
Commercial other	**2,510**	**(i)**	**918**	**(j)**	**—**	**3,066**	**(k)**
Total	**$ 17,775**		**$ 2,336**		**$ 3,620**	**$ 6,819**	
December 31, 2023							
On-balance sheet variable interest entities							
Consumer automotive	$ 16,415	(b)	$ 1,614	(c)	$ —	$ —	
Off-balance sheet variable interest entities							
Consumer automotive (e)	81	(f)	—		2,514	2,595	(g)
Consumer other (h)	—		—		125	125	
Commercial other	2,516	(i)	974	(j)	—	2,738	(k)
Total	$ 19,012		$ 2,588		$ 2,639	$ 5,458	

(a) Asset values represent the current unpaid principal balance of outstanding consumer automotive and credit card finance receivables and loans within the VIEs.
(b) Includes \$8.9 billion and \$9.3 billion of assets that were not encumbered by VIE beneficial interests held by third parties at March 31, 2024, and December 31, 2023, respectively. Ally or consolidated affiliates hold the interests in these assets.
(c) Includes \$100 million of liabilities that were not obligations to third-party beneficial interest holders at both March 31, 2024, and December 31, 2023.
(d) In March 2024, we completed a retail securitization transaction. As a result of this sale, we are not the primary beneficiary of the VIE, and as such have deconsolidated \$1.1 billion of consumer automotive loans from our Condensed Consolidated Balance Sheet. We received cash proceeds of \$1.1 billion related to this sale, and recognized no gain or loss. We will continue to service the assets transferred to the VIE.
(e) Includes activity where we sell loans through a pass through program to a third-party.
(f) Represents retained notes and certificated residual interests, of which \$127 million and \$78 million were classified as held-to-maturity securities at March 31, 2024, and December 31, 2023, respectively, and \$6 million and \$3 million were classified as other assets at March 31, 2024, and December 31, 2023. These assets represent our compliance with the risk retention rules under the Dodd-Frank Act, requiring us to retain at least five percent of the credit risk of the assets underlying asset-backed securitizations.
(g) Maximum exposure to loss represents the current unpaid principal balance of outstanding loans based on our customary representation and warranty provisions. This measure is based on the unlikely event that all the loans have underwriting defects or other defects that trigger a representation and warranty provision and the collateral supporting the loans are worthless. This required disclosure is not an indication of our expected loss.
(h) Represents balances from Ally Credit Card.
(i) Amounts are classified as other assets except for \$46 million and \$44 million classified as equity securities at March 31, 2024, and December 31, 2023, respectively.
(j) Amounts are classified as accrued expenses and other liabilities.
(k) For certain nonconsolidated affordable housing entities, maximum exposure to loss represents the yield we guaranteed investors through long-term guarantee contracts. The amount disclosed is based on the unlikely event that the yield delivered to investors in the form of low-income tax housing credits is recaptured. For nonconsolidated equity investments, maximum exposure to loss represents our outstanding investment, additional committed capital, and low-income housing tax credits subject to recapture. The amount disclosed is based on the unlikely event that our committed capital is funded, our investments become worthless, and the tax credits previously delivered to us are recaptured. This required disclosure is not an indication of our expected loss.

Cash Flows with Nonconsolidated Special-Purpose Entities

The following table summarizes cash flows received and paid related to SPEs and asset-backed financings where the transfer is accounted for as a sale and we have a continuing involvement with the transferred consumer automotive and credit card assets (for example, servicing) that were outstanding during the three months ended March 31, 2024, and 2023. Additionally, this table contains information regarding cash flows received from and paid to nonconsolidated SPEs that existed during each period.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Consumer automotive		
Cash proceeds from transfers completed during the period	**$ 1,281**	$ 252
Servicing fees	**14**	2
Cash flows received on retained interests in securitization entities	**9**	—
Other cash flows	**1**	—
Consumer other (a)		
Cash proceeds from transfers completed during the period	**12**	39
Servicing fees	**2**	3
Total	**$ 1,319**	$ 296

(a) Represents activity from Ally Credit Card.

Delinquencies and Net Credit Losses

The following tables present quantitative information about off-balance sheet securitizations and whole-loan sales where we have continuing involvement.

	Total amount		Amount 60 days or more past due	
($ in millions)	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Off-balance-sheet securitization entities				
Consumer automotive	**$ 2,444**	$ 1,558	**$ 13**	$ 11
Whole-loan sales (a)				
Consumer automotive	**1,065**	956	**44**	44
Consumer other	**111**	125	**14**	17
Total	**$ 3,620**	$ 2,639	**$ 71**	$ 72

(a) Whole-loan sales are not part of a securitization transaction, but represent consumer automotive and credit card pools of loans sold to third-party investors.

	Net credit losses	
	Three months ended March 31,	
($ in millions)	**2024**	2023
Off-balance-sheet securitization entities		
Consumer automotive	**$ 4**	$ —
Whole-loan sales (a)		
Consumer automotive	**16**	1
Consumer other	**12**	5
Total	**$ 32**	$ 6

(a) Whole-loan sales are not part of a securitization transaction, but represent consumer automotive and credit card pools of loans sold to third-party investors.

11. Other Assets

The components of other assets were as follows.

($ in millions)	March 31, 2024	December 31, 2023
Property and equipment at cost (a)	**$ 2,160**	$ 2,153
Accumulated depreciation (a)	**(890)**	(871)
Net property and equipment	**1,270**	1,282
Proportional amortization investments (b) (c)	**1,877**	1,866
Net deferred tax assets	**1,323**	1,224
Accrued interest, fees, and rent receivables (d)	**941**	935
Nonmarketable equity investments	**747**	886
Goodwill	**669**	669
Equity-method investments (b) (e)	**638**	651
Restricted cash held for securitization trusts (f)	**397**	407
Other accounts receivable	**193**	189
Operating lease right-of-use assets	**98**	90
Restricted cash and cash equivalents (g)	**90**	87
Net intangible assets	**67**	73
Other assets	**1,038**	1,036
Total other assets (h)	**$ 9,348**	$ 9,395

(a) During the year ended December 31, 2023, we retired software with a cost basis of $295 million with an accumulated depreciation of $295 million.
(b) Proportional amortization investments includes qualifying LIHTC, NMTC, and HTC investments as of March 31, 2024. Prior to the adoption of ASU 2023-02 on January 1, 2024, NMTC and HTC investments were included in equity-method investments. Refer to Note 1 to the Condensed Consolidated Financial Statements for additional information.
(c) Presented gross of the associated unfunded commitment. Refer to Note 14 for further information.
(d) Primarily relates to accrued interest, fees, and rent receivables related to our consumer automotive and commercial automotive finance receivables and loans.
(e) Primarily relates to investments made in connection with our CRA program.
(f) Includes restricted cash collected from customer payments on securitized receivables, which are distributed by us to investors as payments on the related secured debt, and cash reserve deposits utilized as a form of credit enhancement for various securitization transactions.
(g) Primarily represents a number of arrangements with third parties where certain restrictions are placed on balances we hold due to collateral agreements associated with operational processes with a third-party bank, or letter of credit arrangements and corresponding collateral requirements.
(h) Excludes Ally Lending other assets which were transferred to assets of operations held-for-sale as of December 31, 2023. We closed the sale of Ally Lending on March 1, 2024. Refer to Note 2 for additional information.

We elected to apply the proportional amortization method to qualifying tax equity investments within our LIHTC, NMTC, and HTC programs upon adoption of ASU 2023-02 on January 1, 2024. Prior to adoption, the proportional amortization method applied to our qualifying LIHTC investments only. Refer to Note 1 for additional information.

The following table summarizes information about our proportional amortization investments.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Tax credits and other tax benefits from proportional amortization investments (a) (b)	**$ 39**	$ 47
Investment amortization expense recognized as a component of income tax expense (a)	**32**	38
Net benefit from proportional amortization investments (a)	**$ 7**	$ 9

(a) Amounts are included within income tax expense from continued operations on our Condensed Consolidated Statement of Comprehensive (Loss) Income and as a component of operating activities within deferred income taxes, other assets, and other liabilities on our Condensed Consolidated Statement of Cash Flows.
(b) There were no impairment losses recognized during both the three months ended March 31, 2024, and 2023, resulting from the forfeiture or ineligibility of tax credits or other circumstances.

Our proportional amortization investments were $1.9 billion at both March 31, 2024, and December 31, 2023, and are included within other assets on our Condensed Consolidated Balance Sheet. Additionally, unfunded commitments to provide additional capital to proportional amortization investments were $917 million and $973 million at March 31, 2024, and December 31, 2023, respectively, and are included within accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet. Substantially all of the unfunded commitments at March 31, 2024, are expected to be paid out within the next five years.

The total carrying value of the nonmarketable equity investments held at March 31, 2024, and December 31, 2023, including cumulative unrealized gains and losses, was as follows.

($ in millions)	March 31, 2024	December 31, 2023
FRB stock	**$ 411**	$ 392
FHLB stock	**230**	392
Equity investments without a readily determinable fair value		
Cost basis at acquisition	**76**	74
Adjustments		
Upward adjustments	**53**	51
Downward adjustments (including impairment)	**(23)**	(23)
Carrying amount, equity investments without a readily determinable fair value	**106**	102
Nonmarketable equity investments	**$ 747**	$ 886

During the three months ended March 31, 2024, and 2023, unrealized gains and losses included in the carrying value of the nonmarketable equity investments still held as of March 31, 2024, and 2023, were as follows.

	Three months ended March 31,	
($ in millions)	2024	2023
Upward adjustments	**$ 1**	$ 5
Downward adjustments (including impairment) (a)	**$ —**	$ (17)

(a) No impairment on FHLB and FRB stock was recognized during the three months ended March 31, 2024, and 2023.

Total gain on nonmarketable equity investments, net, which includes both realized and unrealized gains and losses, was a net gain of $2 million for the three months ended March 31, 2024, compared to a net loss of $11 million for the three months ended March 31, 2023.

The carrying balance of goodwill by reportable operating segment was as follows.

($ in millions)	Automotive Finance operations	Insurance operations	Corporate and Other (a)	Total
Goodwill at December 31, 2022	$ 20	$ 27	$ 775	$ 822
Goodwill impairment	—	—	(149)	(149)
Transfer to assets of operations held-for-sale	—	—	(4)	(4)
Goodwill at December 31, 2023	$ 20	$ 27	$ 622	$ 669
Goodwill acquired	**—**	**—**	**—**	**—**
Goodwill at March 31, 2024	**$ 20**	**$ 27**	**$ 622**	**$ 669**

(a) Includes $479 million of goodwill associated with Ally Credit Card at both March 31, 2024, and December 31, 2023, and $143 million of goodwill associated with Ally Invest at both March 31, 2024, and December 31, 2023.

During the year ended December 31, 2023, we recognized a $149 million impairment of goodwill at Corporate and Other related to the transfer of Ally Lending to held-for-sale. Subsequent to the impairment charge, the goodwill balance of $4 million was transferred to assets of operations held-for-sale on the Condensed Consolidated Balance Sheet. We closed the sale of Ally Lending on March 1, 2024. For additional information, refer to Note 2.

The net carrying value of intangible assets by class was as follows.

	March 31, 2024			December 31, 2023		
($ in millions)	**Gross intangible assets**	**Accumulated amortization**	**Net carrying value**	Gross intangible assets	Accumulated amortization	Net carrying value
Technology	**$ 117**	**$ (68)**	**$ 49**	$ 117	$ (64)	$ 53
Customer lists	**41**	**(40)**	**1**	41	(39)	2
Purchased credit card relationships	**25**	**(8)**	**17**	25	(7)	18
Trademarks	**2**	**(2)**	**—**	2	(2)	—
Total intangible assets (a)	**$ 185**	**$ (118)**	**$ 67**	$ 185	$ (112)	$ 73

(a) Excludes $22 million of gross intangible assets and $22 million of accumulated amortization that were transferred to assets of operations held-for-sale related to Ally Lending as of December 31, 2023. The sale was closed on March 1, 2024. Refer to Note 2 for additional information.

Estimated future amortization expense of intangible assets are as follows.

($ in millions)	
2024	**$ 13**
2025	**14**
2026	**14**
2027	**13**
2028	**13**
Total estimated future amortization expense	**$ 67**

12. Deposit Liabilities

Deposit liabilities consisted of the following.

($ in millions)	**March 31, 2024**	December 31, 2023
Noninterest-bearing deposits	**$ 137**	$ 139
Interest-bearing deposits		
Savings, money market, and spending accounts	**103,852**	99,340
Certificates of deposit	**51,095**	55,187
Total deposit liabilities	**$ 155,084**	$ 154,666

At March 31, 2024, and December 31, 2023, certificates of deposit included $7.2 billion and $7.7 billion, respectively, of those in denominations in excess of $250 thousand.

13. Debt

Short-Term Borrowings

The following table presents the composition of our short-term borrowings portfolio.

	March 31, 2024			December 31, 2023		
($ in millions)	**Unsecured**	**Secured (a)**	**Total**	Unsecured	Secured (a)	Total
Federal Home Loan Bank	**$ —**	**$ —**	**$ —**	$ —	$ 2,550	$ 2,550
Securities sold under agreements to repurchase	**—**	**—**	**—**	—	747	747
Total short-term borrowings	**$ —**	**$ —**	**$ —**	$ —	$ 3,297	$ 3,297

(a) Refer to the section below titled *Long-Term Debt* for further details on assets restricted as collateral for payment of the related debt.

We periodically enter into term repurchase agreements—short-term borrowing agreements in which we sell securities to one or more investors while simultaneously committing to repurchase them at a specified future date, at the stated price plus accrued interest. We had no securities sold under agreements to repurchase as of March 31, 2024. Refer to Note 7 and Note 22 for further details.

The primary risk associated with these repurchase agreements is that the counterparty will be unable to perform under the terms of the contract. As the borrower, we are exposed to the excess market value of the securities pledged over the amount borrowed. Daily mark-to-market collateral management is designed to limit this risk to the initial margin. However, should a counterparty declare bankruptcy or become insolvent, we may incur additional delays and costs. In some instances, we may place or receive cash collateral with counterparties under collateral arrangements associated with our repurchase agreements. At March 31, 2024, we did not place or receive any collateral related to repurchase agreements. At December 31, 2023, we received cash collateral of $6 million and non-cash collateral of $1 million related to repurchase agreements.

Long-Term Debt

The following table presents the composition of our long-term debt portfolio.

	March 31, 2024			December 31, 2023		
($ in millions)	**Unsecured**	**Secured**	**Total**	Unsecured	Secured	Total
Long-term debt (a)						
Due within one year	**$ 1,934**	**$ 2,640**	**$ 4,574**	$ 1,409	$ 2,931	$ 4,340
Due after one year	**8,628**	**3,809**	**12,437**	9,015	4,215	13,230
Total long-term debt (b)	**$ 10,562**	**$ 6,449**	**$ 17,011**	$ 10,424	$ 7,146	$ 17,570

(a) Includes basis adjustments related to the application of hedge accounting. Refer to Note 19 for additional information.
(b) Includes advances from the FHLB of Pittsburgh of $5.1 billion and $5.6 billion at March 31, 2024, and December 31, 2023, respectively.

The following table presents the scheduled remaining maturity of long-term debt at March 31, 2024, assuming no early redemptions will occur. The amounts below include adjustments to the carrying value resulting from the application of hedge accounting. The actual payment of secured debt may vary based on the payment activity of the related pledged assets.

($ in millions)	2024	2025	2026	2027	2028	2029 and thereafter	Total
Unsecured							
Long-term debt	$ 1,477	$ 2,483	$ 152	$ 1,536	$ 867	$ 4,861	$ 11,376
Original issue discount	(52)	(74)	(82)	(94)	(107)	(405)	(814)
Total unsecured	1,425	2,409	70	1,442	760	4,456	10,562
Secured							
Long-term debt	2,220	1,907	1,731	357	225	9	6,449
Total long-term debt	$ 3,645	$ 4,316	$ 1,801	$ 1,799	$ 985	$ 4,465	$ 17,011

The following table summarizes assets restricted as collateral for the payment of the related debt obligation.

($ in millions)	**March 31, 2024**	December 31, 2023
Consumer automotive finance receivables	**$ 39,815**	$ 40,805
Consumer mortgage finance receivables	**18,478**	18,703
Commercial finance receivables	**6,000**	5,968
Investment securities (amortized cost of $3,017 and $4,030) (a)	**3,165**	4,036
Total assets restricted as collateral (b) (c) (d)	**$ 67,458**	$ 69,512
Secured debt (e)	**$ 6,449**	$ 10,443

(a) A portion of the restricted investment securities at December 31, 2023, was restricted under repurchase agreements. Refer to the section above titled Short-Term Borrowings for information on the repurchase agreements.
(b) All restricted assets are those of Ally Bank.
(c) Ally Bank has an advance agreement with the FHLB, and had assets pledged to secure borrowings that were restricted as collateral to the FHLB totaling $27.6 billion and $27.9 billion at March 31, 2024, and December 31, 2023, respectively. These assets were primarily composed of consumer mortgage finance receivables and loans as well as mortgage-backed securities. Ally Bank has access to the FRB Discount Window and had assets pledged and restricted as collateral to the FRB totaling $33.9 billion and $34.0 billion at March 31, 2024, and December 31, 2023, respectively. These assets were composed of consumer automotive finance receivables and loans. Availability under these programs is only for the operations of Ally Bank and cannot be used to fund the operations or liabilities of Ally or its other subsidiaries.
(d) Excludes restricted cash and cash reserves for securitization trusts recorded within other assets on the Condensed Consolidated Balance Sheet. Refer to Note 11 for additional information.
(e) Includes $3.3 billion of short-term borrowings at December 31, 2023.

14. Accrued Expenses and Other Liabilities

The components of accrued expenses and other liabilities were as follows.

($ in millions)	**March 31, 2024**	December 31, 2023
Unfunded commitments for proportional amortization investments (a)	**$ 917**	$ 973
Accounts payable	**527**	509
Employee compensation and benefits	**230**	409
Reserves for insurance losses and loss adjustment expenses (b)	**164**	140
Operating lease liabilities	**120**	113
Deferred revenue	**103**	103
Other liabilities	**466**	479
Total accrued expenses and other liabilities (c)	**$ 2,527**	$ 2,726

(a) Primarily relates to unfunded commitments for investments in qualified affordable housing projects.
(b) Refer to Note 5 for further information.
(c) Excludes Ally Lending accrued expenses and other liabilities, which were transferred to liabilities of operations held-for-sale as of December 31, 2023. The sale was closed on March 1, 2024. Refer to Note 2 for additional information.

15. Preferred Stock

The following table summarizes information about our preferred stock. For additional information regarding our preferred stock, refer to Note 17 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

	March 31, 2024	December 31, 2023
Series B preferred stock (a)		
Issuance date	**April 22, 2021**	April 22, 2021
Carrying value *($ in millions)*	**$ 1,335**	$ 1,335
Par value *(per share)*	**$ 0.01**	$ 0.01
Liquidation preference *(per share)*	**$ 1,000**	$ 1,000
Number of shares authorized	**1,350,000**	1,350,000
Number of shares issued and outstanding	**1,350,000**	1,350,000
Dividend/coupon		
Prior to May 15, 2026	**4.700%**	4.700%
On and after May 15, 2026	**Five Year Treasury + 3.868%**	Five Year Treasury + 3.868%
Series C preferred stock (a)		
Issuance date	**June 2, 2021**	June 2, 2021
Carrying value *($ in millions)*	**$ 989**	$ 989
Par value *(per share)*	**$ 0.01**	$ 0.01
Liquidation preference *(per share)*	**$ 1,000**	$ 1,000
Number of shares authorized	**1,000,000**	1,000,000
Number of shares issued and outstanding	**1,000,000**	1,000,000
Dividend/coupon		
Prior to May 15, 2028	**4.700%**	4.700%
On and after May 15, 2028	**Seven Year Treasury + 3.481%**	Seven Year Treasury + 3.481%

(a) We may, at our option, redeem the Series B and Series C shares on any dividend payment date on or after May 15, 2026, or May 15, 2028, respectively, or at any time within 90 days following a regulatory event that precludes the instruments from being included in additional Tier 1 capital.

16. Accumulated Other Comprehensive Loss

The following table presents changes, net of tax, in each component of accumulated other comprehensive loss.

	Investment securities (a)				
($ in millions)	Available-for-sale securities (b)	Held-to-maturity securities	Translation adjustments and net investment hedges (c)	Cash flow hedges (c)	Accumulated other comprehensive loss
Balance at January 1, 2023	$ (4,095)	$ —	$ 18	$ 18	$ (4,059)
Net change	284	—	—	(1)	283
Balance at March 31, 2023	$ (3,811)	$ —	$ 18	$ 17	$ (3,776)
Balance at January 1, 2024	$ (3,146)	$ (682)	$ 21	$ (9)	$ (3,816)
Net change	**(171)**	**15**	**(1)**	**(16)**	**(173)**
Balance at March 31, 2024	**$ (3,317)**	**$ (667)**	**$ 20**	**$ (25)**	**$ (3,989)**

(a) For additional information on the securities transferred from available-for-sale to held-to-maturity during 2023, refer to Note 7.
(b) Represents the after-tax difference between the fair value and amortized cost of our available-for-sale securities portfolio. Refer to Note 7 for additional information.
(c) For additional information on derivative instruments and hedging activities, refer to Note 19.

The following tables present the before- and after-tax changes in each component of accumulated other comprehensive loss.

Three months ended March 31, 2024 *($ in millions)*	**Before tax**	**Tax effect**	**After tax**
Investment securities			
Available-for-sale securities			
Net unrealized losses arising during the period	**$ (223)**	**$ 53**	**$ (170)**
Less: Net realized gains reclassified to income from continuing operations	**1 (a)**	**— (b)**	**1**
Net change	**(224)**	**53**	**(171)**
Held-to-maturity securities			
Less: Amortization of amounts previously recorded upon transfer from available-for-sale (c)	**(20) (d)**	**5 (b)**	**(15)**
Translation adjustments			
Net unrealized losses arising during the period	**(5)**	**1**	**(4)**
Net investment hedges (e)			
Net unrealized gains arising during the period	**4**	**(1)**	**3**
Cash flow hedges (e)			
Net unrealized losses arising during the period	**(22)**	**5**	**(17)**
Less: Net realized losses reclassified to income from continuing operations	**(1) (f)**	**— (b)**	**(1)**
Net change	**(21)**	**5**	**(16)**
Other comprehensive loss	**$ (226)**	**$ 53**	**$ (173)**

(a) Includes gains reclassified to other gain on investments, net in our Condensed Consolidated Statement of Comprehensive (Loss) Income.
(b) Includes amounts reclassified to income tax expense from continuing operations in our Condensed Consolidated Statement of Comprehensive (Loss) Income.
(c) For additional information on the securities transferred from available-for-sale to held-to-maturity, refer to Note 7.
(d) Includes amounts reclassified to interest and dividends on investment securities and other earning assets in our Condensed Consolidated Statement of Comprehensive (Loss) Income.
(e) For additional information on derivative instruments and hedging activities, refer to Note 19.
(f) Includes losses reclassified to interest and fees on finance receivables and loans in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

Three months ended March 31, 2023 *($ in millions)*	Before tax	Tax effect	After tax
Investment securities			
Available-for-sale securities			
Net unrealized gains arising during the period	$ 377	$ (89)	$ 288
Less: Net realized gains reclassified to income from continuing operations	5 (a)	(1) (b)	4
Net change	372	(88)	284
Cash flow hedges (c)			
Net unrealized gains arising during the period	4	(1)	3
Less: Net realized gains reclassified to income from continuing operations	5 (d)	(1) (b)	4
Net change	(1)	—	(1)
Other comprehensive income	$ 371	$ (88)	$ 283

(a) Includes gains reclassified to other gain on investments, net in our Condensed Consolidated Statement of Comprehensive (Loss) Income.
(b) Includes amounts reclassified to income tax expense from continuing operations in our Condensed Consolidated Statement of Comprehensive (Loss) Income.
(c) For additional information on derivative instruments and hedging activities, refer to Note 19.
(d) Includes gains reclassified to interest and fees on finance receivables and loans in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

17. Earnings per Common Share

The following table presents the calculation of basic and diluted earnings per common share.

	Three months ended March 31,	
($ in millions, except per share data; shares in thousands) (a)	**2024**	2023
Net income from continuing operations	**$ 157**	$ 320
Preferred stock dividends — Series B	**(16)**	(16)
Preferred stock dividends — Series C	**(12)**	(12)
Net income from continuing operations attributable to common stockholders	**$ 129**	$ 292
Loss from discontinued operations, net of tax	**—**	(1)
Net income attributable to common stockholders	**$ 129**	$ 291
Basic weighted-average common shares outstanding (b)	**306,003**	302,657
Diluted weighted-average common shares outstanding (b)	**308,421**	303,448
Basic earnings per common share		
Net income from continuing operations	**$ 0.42**	$ 0.97
Net income	**$ 0.42**	$ 0.96
Diluted earnings per common share		
Net income from continuing operations	**$ 0.42**	$ 0.96
Net income	**$ 0.42**	$ 0.96

(a) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on unrounded numbers.
(b) Includes shares related to share-based compensation that vested but were not yet issued.

18. Regulatory Capital and Other Regulatory Matters

Ally is subject to enhanced prudential standards that have been established by the FRB under the Dodd-Frank Act, as amended by the EGRRCP Act and as applied to Category IV firms under the Tailoring Rules. Refer to the discussion below, however, about rules proposed by the U.S. banking agencies in 2023 that would significantly alter the Tailoring Rules. Currently, as a Category IV firm, Ally is (1) subject to supervisory stress testing on a two-year cycle, (2) required to submit an annual capital plan to the FRB, (3) exempted from company-run capital stress testing requirements, (4) required to maintain a buffer of unencumbered highly liquid assets to meet projected net stressed cash outflows over a 30-day planning horizon, (5) exempted from the requirements of the LCR and the net stable funding ratio (provided that our average wSTWF continues to remain under $50 billion), and (6) exempted from the requirements of the supplementary leverage ratio, the countercyclical capital buffer, and single-counterparty credit limits. Even so, we are subject to rules enabling the FRB to conduct supervisory stress testing on a more or less frequent basis based on our financial condition, size, complexity, risk profile, scope of operations, or activities or based on risks to the U.S. economy. Further, we are subject to rules requiring the resubmission of our capital plan if we determine that there has been or will be a material change in our risk profile, financial condition, or corporate structure since we last submitted the capital plan or if the FRB determines that (a) our capital plan is incomplete or our capital plan or internal capital adequacy process contains material weaknesses, (b) there has been, or will likely be, a material change in our risk profile (including a material change in our business strategy or any risk exposure), financial condition, or corporate structure, or (c) the BHC stress scenario(s) are not appropriate for our business model and portfolios, or changes in the financial markets or the macroeconomic outlook that could have a material impact on our risk profile and financial condition require the use of updated scenarios. While a resubmission is pending, without prior approval of the FRB, we would generally be prohibited from paying dividends, repurchasing our common stock, or making other capital distributions. In addition, to satisfy the FRB in its review of our capital plan, we may be required to further cease or limit these capital distributions or to issue capital instruments that could be dilutive to stockholders. The FRB also may prevent us from maintaining or expanding lending or other business activities.

Basel Capital Framework

The FRB and other U.S. banking agencies have adopted risk-based and leverage capital rules that establish minimum capital-to-asset ratios for BHCs, like Ally, and depository institutions, like Ally Bank.

The risk-based capital ratios are based on a banking organization’s RWAs, which are generally determined under the standardized approach applicable to Ally and Ally Bank by (1) assigning on-balance-sheet exposures to broad risk-weight categories according to the counterparty or, if relevant, the guarantor or collateral (with higher risk weights assigned to categories of exposures perceived as representing greater risk), and (2) multiplying off-balance-sheet exposures by specified credit conversion factors to calculate credit equivalent amounts and assigning those credit equivalent amounts to the relevant risk-weight categories. The leverage ratio, in contrast, is based on an institution’s average unweighted on-balance-sheet exposures.

Under U.S. Basel III, Ally and Ally Bank must maintain a minimum Common Equity Tier 1 risk-based capital ratio of 4.5%, a minimum Tier 1 risk-based capital ratio of 6%, and a minimum total risk-based capital ratio of 8%. On top of the minimum risk-based capital ratios, Ally and Ally Bank are subject to a capital conservation buffer requirement, which must be satisfied entirely with capital that qualifies as Common Equity Tier 1 capital. Failure to maintain more than the full amount of the capital conservation buffer requirement would result in automatic restrictions on the ability of Ally and Ally Bank to make capital distributions, including dividend payments and stock repurchases and redemptions, and to pay discretionary bonuses to executive officers. U.S. Basel III also subjects Ally and Ally Bank to a minimum Tier 1 leverage ratio of 4%. While the capital conservation buffer requirement for Ally Bank is fixed at 2.5% of RWAs, the capital conservation buffer requirement for a Category IV firm, like Ally, is equal to its stress capital buffer requirement. The stress capital buffer requirement for Ally, in turn, is the greater of 2.5% and the result of the following calculation: (1) the difference between Ally’s starting and minimum projected Common Equity Tier 1 capital ratios under the severely adverse scenario in the supervisory stress test, plus (2) the sum of the dollar amount of Ally’s planned common stock dividends for each of the fourth through seventh quarters of its nine-quarter capital planning horizon, as a percentage of RWAs. As of March 31, 2024, the stress capital buffer requirement for Ally was 2.5%.

Ally and Ally Bank are currently subject to the U.S. Basel III standardized approach for counterparty credit risk but not to the U.S. Basel III advanced approaches for credit risk or operational risk. Ally is also not currently subject to the U.S. market-risk capital rule, which applies only to banking organizations with significant trading assets and liabilities. Since Ally and Ally Bank are currently not subject to the advanced approaches risk-based capital rules, we elected to apply a one-time option to exclude most components of accumulated other comprehensive income and loss from regulatory capital. As of March 31, 2024, and December 31, 2023, Ally had $4.0 billion and $3.8 billion, respectively, of accumulated other comprehensive loss, net of applicable income taxes, that was excluded from Common Equity Tier 1 capital. Refer to the discussion below about rules proposed by the U.S. banking agencies in 2023 that would require us to recognize all components of accumulated other comprehensive income and loss in regulatory capital, except gains and losses on cash-flow hedges where the hedged items are not recognized on our balance sheet at fair value. Refer also to Note 16 for additional details about our accumulated other comprehensive loss.

Failure to satisfy regulatory-capital requirements could result in significant sanctions—such as bars or other limits on capital distributions and discretionary bonuses to executive officers, limitations on acquisitions and new activities, restrictions on our acceptance of brokered deposits, a loss of our status as an FHC, or informal or formal enforcement and other supervisory actions—and could have a significant adverse effect on the Consolidated Financial Statements or the business, results of operations, financial condition, or prospects of Ally and Ally Bank.

The risk-based capital ratios and the Tier 1 leverage ratio play a central role in PCA, which is an enforcement framework used by the U.S. banking agencies to constrain the activities of depository institutions based on their levels of regulatory capital. Five categories have been established using thresholds for the Common Equity Tier 1 risk-based capital ratio, the Tier 1 risk-based capital ratio, the total risk-based capital ratio, and the Tier 1 leverage ratio: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. FDICIA generally prohibits a depository institution from making any capital distribution, including any payment of a cash dividend or a management fee to its BHC, if the depository institution would become undercapitalized after the distribution. An undercapitalized institution is also subject to growth limitations and must submit and fulfill a capital restoration plan. Although BHCs are not subject to the PCA framework, the FRB is empowered to compel a BHC to take measures—such as the execution of financial or performance guarantees—when PCA is required in connection with one of its depository-institution subsidiaries. At both March 31, 2024, and December 31, 2023, Ally Bank met the capital ratios required to be well capitalized under the PCA framework.

Under FDICIA and the PCA framework, insured depository institutions such as Ally Bank must be well capitalized or, with a waiver from the FDIC, adequately capitalized in order to accept brokered deposits, and even adequately capitalized institutions are subject to some restrictions on the rates they may offer for brokered deposits. Our brokered deposits totaled $8.5 billion at March 31, 2024, which represented 5.5% of total deposit liabilities.

The following table summarizes our capital ratios under U.S. Basel III.

	March 31, 2024		December 31, 2023			
($ in millions)	**Amount**	**Ratio**	Amount	Ratio	Required minimum (a)	Well-capitalized minimum
Capital ratios						
Common Equity Tier 1 (to risk-weighted assets)						
Ally Financial Inc.	**$ 14,905**	**9.41 %**	$ 15,129	9.36 %	4.50 %	(b)
Ally Bank	**17,290**	**11.53**	17,217	11.24	4.50	6.50 %
Tier 1 (to risk-weighted assets)						
Ally Financial Inc.	**$ 17,171**	**10.84 %**	$ 17,392	10.76 %	6.00 %	6.00 %
Ally Bank	**17,290**	**11.53**	17,217	11.24	6.00	8.00
Total (to risk-weighted assets)						
Ally Financial Inc.	**$ 19,802**	**12.51 %**	$ 20,055	12.41 %	8.00 %	10.00 %
Ally Bank	**19,180**	**12.80**	19,144	12.50	8.00	10.00
Tier 1 leverage (to adjusted quarterly average assets) (c)						
Ally Financial Inc.	**$ 17,171**	**8.63 %**	$ 17,392	8.67 %	4.00 %	(b)
Ally Bank	**17,290**	**9.19**	17,217	9.07	4.00	5.00 %

(a) In addition to the minimum risk-based capital requirements for the Common Equity Tier 1 capital, Tier 1 capital, and total capital ratios, Ally and Ally Bank were required to maintain a minimum capital conservation buffer of 2.5% at both March 31, 2024, and December 31, 2023.
(b) Currently, there is no ratio component for determining whether a BHC is "well-capitalized."
(c) Federal regulatory reporting guidelines require the calculation of adjusted quarterly average assets using a daily average methodology.

On January 1, 2020, we adopted CECL. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information about our allowance for loan losses accounting policy. Under a rule finalized by the FRB and other U.S. banking agencies in 2020, we delayed recognizing the estimated impact of CECL on regulatory capital until after a two-year deferral period, which for us extended through December 31, 2021. Beginning on January 1, 2022, we were required to phase in 25% of the previously deferred estimated capital impact of CECL, with an additional 25% to be phased in at the beginning of each subsequent year until fully phased in by the first quarter of 2025. The estimated impact of CECL on regulatory capital that we deferred and began phasing in on January 1, 2022, is generally calculated as the entire day-one impact at adoption plus 25% of the subsequent change in allowance during the two-year deferral period. As of March 31, 2024, the total deferred impact on Common Equity Tier 1 capital related to our adoption of CECL was $296 million.

In April 2023, in a statement accompanying the review of the FRB's supervision and regulation of SVB, FRB Vice Chair for Supervision Barr highlighted a plan to revisit the Tailoring Rules and develop stronger capital, liquidity, stress-testing, and other standards for Category IV firms like Ally. In July 2023, the U.S. banking agencies issued a proposed rule to customize and implement revisions to the global Basel III capital framework that were approved by the Basel Committee in December 2017 (commonly known as the Basel III endgame or as Basel IV). For regulatory capital, the proposed rule would eliminate the effect of the Tailoring Rules by requiring the recognition of most elements of accumulated other comprehensive income and loss and the application of deductions, limitations, and criteria for specified capital investments, minority interests, and TLAC holdings. For each of the risk-based capital ratios, a large banking organization, like Ally, would calculate and be bound by the lower of two alternatives: one version of the ratio based on an expanded risk-based approach prescribed in the proposed rule and one version of the ratio based on the standardized approach as modified by the proposed rule. All capital buffer requirements, including the stress capital buffer requirement, would apply regardless of whether the expanded risk-based approach or the standardized approach produces the lower ratio. Under the expanded risk-based approach, total RWAs would equal the sum of the RWAs for credit risk, equity risk, operational risk, market risk, and CVA risk as set forth in the proposed rule minus any amount of the banking organization's adjusted allowance for credit losses that is not included in Tier 2 capital and any amount of allocated transfer risk reserves. Under the standardized approach, total RWAs would be calculated using the existing rules with a revised methodology for determining RWAs for market risk, and a required application of the standardized approach for counterparty credit risk for derivative exposures. Category IV firms would be further required under the proposed rule to project their risk-based capital ratios under baseline conditions in their capital plans and related reports using the RWA-calculation approach that results in their binding risk-based capital ratios as of the start of the projection horizon. The proposed rule also would roll back additional elements of the Tailoring Rules by applying to Category IV firms the supplementary leverage ratio, the countercyclical capital buffer, and enhanced public disclosure and reporting requirements. Under the proposed rule, a three-year transition period from July 1, 2025, to June 30, 2028, would apply to the recognition of accumulated other comprehensive income and loss in regulatory capital and the use of the expanded risk-based approach. The phase-in of accumulated other comprehensive income and loss is expected to significantly affect our levels of regulatory capital. While we believe that this would be manageable, we also anticipate that our levels of regulatory capital would need to be gradually increased in advance of and during the proposed transition period. As for the proposed changes to RWAs, while we continue to evaluate the effects of individual provisions and the interplay among them as well as potential management actions in response, the impact is not currently expected to be significant in the aggregate if the proposed rule were adopted in its existing form. Since the proposed rule was issued, we have been engaged with research and advocacy groups to inform the rulemaking process and better understand the impacts of the proposed rule on banking organizations of various sizes and complexities—as well as the competitive environment more broadly—and likewise encourage the U.S. banking agencies to closely study these impacts and their wider implications.

In August 2023, the U.S. banking agencies issued two proposed rules to improve the resolvability of Category IV firms, like Ally. The first proposed rule would require Category II, III, and IV firms, their large consolidated banks, and other institutions to issue and maintain minimum amounts of eligible long-term debt in an amount that is the greater of (i) 6 percent of total RWAs, (ii) 3.5 percent of average total consolidated assets, and (iii) 2.5 percent of total leverage exposure. Covered insured depository institutions, like Ally Bank, that are consolidated subsidiaries of covered entities, like Ally, would be required to issue eligible long-term debt internally to a company that consolidates the covered insured depository institution, which would in turn be required to purchase that long-term debt. Only long-term debt instruments that are most readily able to absorb losses in a resolution proceeding would qualify, and the operations of covered entities would be subject to clean-holding-company requirements such as prohibitions and limitations on their liabilities to unaffiliated entities. Under the proposed rule, a transition period would apply with 25, 50, and 100 percent of the long-term-debt requirements coming into effect by the end of the first, second, and third years, respectively, after finalization of the rule. The second proposed rule, which was issued solely by the FDIC, would require each insured depository institution with $100 billion or more in total assets, like Ally Bank, to submit a full resolution plan with an identified strategy for ensuring timely access to insured deposits, maximizing value from the disposition of assets, minimizing any losses realized by creditors, and addressing potential financial-stability risks. Each resolution plan also would be subject to more stringent standards on its assumptions, content, and reviews. Covered insured depository institutions would need to submit a full resolution plan every two years with interim supplements in non-submission years. We are still assessing the impact of these two proposed rules but, due to the current structure and amount of debt instruments issued by Ally and Ally Bank, expect the long-term-debt rule in particular to significantly affect us.

Whether and when final rules related to these proposals may be adopted and take effect, as well as what changes to the proposed rules may be reflected in any final rules after the comment periods, remain unclear. Also, beyond these proposed rules, more stringent and less tailored liquidity, stress-testing, and other standards for Category IV firms, like Ally, may be forthcoming, including those that may reinstate the LCR, require more rigorous liquidity stress testing, and return Ally to supervisory stress testing on an annual cycle.

Capital Planning and Stress Tests

Under the Tailoring Rules, we are generally subject to supervisory stress testing on a two-year cycle and exempted from mandated company-run capital stress testing requirements. We are also required to submit an annual capital plan to the FRB. Our annual capital plan must include an assessment of our expected uses and sources of capital and a description of all planned capital actions over a nine-quarter planning horizon, including any issuance of a debt or equity capital instrument, any dividend or other capital distribution, and any similar action that the FRB determines could have an impact on our capital. The plan must also include a detailed description of our process for assessing capital adequacy, including a discussion of how we, under expected and stressful conditions, will maintain capital commensurate with our risks and above the minimum regulatory capital ratios, will serve as a source of strength to Ally Bank, and will maintain sufficient capital to continue our operations by maintaining ready access to funding, meeting our obligations to creditors and other counterparties, and continuing to serve as a credit intermediary.

The Tailoring Rules align capital planning, supervisory stress testing, and stress capital buffer requirements for large banking organizations, like Ally. As a Category IV firm, Ally is expected to have the ability to elect to participate in the supervisory stress test—and receive a correspondingly updated stress capital buffer requirement—in a year in which Ally would not generally be subject to the supervisory stress test. Refer to the section titled *Basel Capital Framework* above for further discussion about our stress capital buffer requirements. During a year in which Ally does not undergo a supervisory stress test, we would receive an updated stress capital buffer requirement only to reflect our updated planned common-stock dividends. Ally was subject to the 2022 supervisory stress test and did not elect to participate in the 2023 supervisory stress test.

We received an updated preliminary stress capital buffer requirement based on our 2022 capital plan submission from the FRB in June 2022, which was determined to be 2.5% and reflected a decline of 100 basis points relative to our prior requirement. The updated 2.5% stress capital buffer requirement was finalized in August 2022 and became effective on October 1, 2022. In February 2023, we accessed the unsecured debt capital markets and issued $500 million of additional subordinated notes, which qualify as Tier 2 capital for Ally under U.S. Basel III. We submitted our 2023 capital plan to the FRB on April 5, 2023, and received an updated preliminary stress capital buffer requirement in June 2023 that remained unchanged at 2.5%. The 2.5% stress capital buffer requirement was finalized in July 2023 and became effective on October 1, 2023. We submitted our 2024 capital plan to the FRB on April 5, 2024.

Our ability to make capital distributions, including our ability to pay dividends or repurchase shares of our common stock, will continue to be subject to the FRB's review and our internal governance requirements, including approval by our Board. The amount and size of any future dividends and share repurchases also will be subject to various factors, including Ally's capital and liquidity positions, accounting and regulatory considerations (including any restrictions that may be imposed by the FRB and any changes to capital, liquidity, and other regulatory requirements that may be proposed or adopted by the U.S. banking agencies), the taxation of share repurchases, financial and operational performance, alternative uses of capital, common-stock price, and general market conditions, and may be extended, modified, or discontinued at any time.

The following table presents information related to our common stock and distributions to our common stockholders.

	Common stock repurchased during period (a) (b)		Number of common shares outstanding		
($ in millions, except per share data; shares in thousands)	Approximate dollar value	Number of shares	Beginning of period	End of period	Cash dividends declared per common share (c)
2023					
First quarter	$ 27	836	299,324	300,821	$ 0.30
Second quarter	2	58	300,821	301,619	0.30
Third quarter	—	5	301,619	301,630	0.30
Fourth quarter	4	145	301,630	302,459	0.30
2024					
First quarter	**$ 29**	**781**	**302,459**	**303,978**	**$ 0.30**

(a) Includes shares of common stock withheld to cover income taxes owed by participants in our share-based incentive plans.
(b) Since the commencement of our initial stock-repurchase program in the third quarter of 2016, we have reduced the number of outstanding shares of our common stock by 37%, from 484 million as of June 30, 2016, to 304 million as of March 31, 2024. Except for repurchases made of shares withheld to cover income taxes owed by participants in our share-based incentive plans, we did not make any common-stock repurchases in 2023 or the first quarter of 2024, and at this time, the Board has not authorized a stock-repurchase program for 2024.
(c) On April 15, 2024, our Board declared a quarterly cash dividend of $0.30 per share on all common stock, payable on May 15, 2024, to stockholders of record at the close of business on May 1, 2024.

19. Derivative Instruments and Hedging Activities

We enter into derivative instruments, which may include interest rate swaps, foreign-currency forwards, equity options, and interest rate options, in connection with our risk-management activities. Our primary objective for using derivative financial instruments is to manage interest rate risk associated with our fixed-rate and variable-rate assets and liabilities, foreign exchange risks related to our net investments in foreign subsidiaries, as well as foreign-currency denominated assets and liabilities, and other market risks related to our investment portfolio.

Interest Rate Risk

We monitor our mix of fixed-rate and variable-rate assets and liabilities and may enter into interest rate swaps, forwards, and options to achieve a more desired mix of fixed-rate and variable-rate assets and liabilities. We execute these trades to modify our exposure to interest rate risk by converting certain fixed-rate instruments to a variable-rate and certain variable-rate instruments to a fixed-rate. We use a mix of both derivatives that qualify for hedge accounting treatment and economic hedges that do not qualify for hedge accounting treatment.

Derivatives qualifying for hedge accounting treatment can include receive-fixed swaps designated as fair value hedges of specific fixed-rate unsecured debt obligations, receive-fixed swaps designated as fair value hedges of specific fixed-rate FHLB advances, pay-fixed swaps designated as fair value hedges of securities within our available-for-sale portfolio, and pay-fixed swaps designated as fair value hedges of fixed-rate held-for-investment consumer automotive loan assets. Other derivatives qualifying for hedge accounting consist of interest rate floor contracts designated as cash flow hedges of the expected future cash flows in the form of interest receipts on a portion of our dealer floorplan commercial loans.

We have the ability to execute economic hedges, which could consist of interest rate swaps, interest rate caps, forwards, and options to mitigate interest rate risk.

We also enter into interest rate lock commitments and forward commitments that are executed as part of our mortgage business that meet the accounting definition of a derivative.

Foreign Exchange Risk

We enter into derivative financial instrument contracts to mitigate the risk associated with variability in cash flows related to our various foreign-currency exposures.

We enter into foreign-currency forwards with external counterparties as net investment hedges of foreign exchange exposure on our investment in foreign subsidiaries. Our equity is impacted by the cumulative translation adjustments resulting from the translation of foreign subsidiary results; this impact is reflected in our accumulated other comprehensive income. We also periodically enter into foreign-currency forwards to economically hedge any foreign-denominated debt, centralized lending, and foreign-denominated third-party loans. These foreign-currency forwards used as economic hedges are recorded at fair value with changes recorded as income or expense offsetting the gains and losses on the associated foreign-currency transactions.

Investment Risk

We enter into equity options to mitigate the risk associated with our exposure to the equity markets.

Credit Risk

We enter into various retail automotive-loan purchase agreements with certain counterparties. As part of those agreements, we may be required to pay the counterparty at agreed upon measurement dates and determinable amounts if actual credit performance of the acquired loans on the measurement date is better than what was estimated at the time of acquisition. Based upon these terms, these contracts meet the accounting definition of a derivative.

Counterparty Credit Risk

Derivative financial instruments contain an element of credit risk if counterparties are unable to meet the terms of the agreements. Credit risk associated with derivative financial instruments is measured as the net replacement cost should the counterparties that owe us under the contract completely fail to perform under the terms of those contracts, with adjustments to reflect the exchange of collateral for margined transactions.

We manage our risk to financial counterparties through internal credit analysis, limits, and monitoring. Additionally, derivatives and repurchase agreements are entered into with approved counterparties using industry standard agreements.

We execute certain OTC derivatives, such as interest rate caps and floors, using bilateral agreements with financial counterparties. Bilateral agreements generally require both parties to post collateral in the event the fair values of the derivative financial instruments meet posting thresholds established under the agreements. If either party defaults on the obligation, the secured party may seize the collateral. Payments related to the exchange of collateral for OTC derivatives are recognized as collateral.

We also execute certain derivatives, such as interest rate swaps, with clearinghouses, which require us to post and receive collateral. For these clearinghouse derivatives, these payments are recognized as settlements rather than collateral.

Certain derivative instruments contain provisions that require us to either post additional collateral or immediately settle any outstanding liability balances upon the occurrence of a specified credit-risk-related event. No such specified credit-risk-related events occurred during the three months ended March 31, 2024, or 2023.

We placed cash and noncash collateral with counterparties totaling $1 million and $569 million, respectively, supporting our derivative positions at March 31, 2024, compared to $6 million and $642 million of cash and noncash collateral, respectively, at December 31, 2023. These amounts include noncash collateral placed at clearinghouses and exclude cash and noncash collateral pledged under repurchase agreements. The receivables for cash collateral placed are included on our Condensed Consolidated Balance Sheet in other assets. We granted our counterparties the right to sell or pledge the noncash collateral.

We received cash collateral from counterparties totaling $11 million and $31 million at March 31, 2024, and December 31, 2023, respectively. These amounts exclude cash and noncash collateral pledged under repurchase agreements. The payables for cash collateral received are included on our Condensed Consolidated Balance Sheet in accrued expenses and other liabilities.

Balance Sheet Presentation

The following table summarizes the amounts of derivative instruments reported on our Condensed Consolidated Balance Sheet. The amounts are presented on a gross basis, are segregated by derivatives that are designated and qualifying as hedging instruments or those that are not, and are further segregated by type of contract within those two categories.

Derivative contracts in a receivable and payable position exclude open trade equity on derivatives cleared through central clearing counterparties. Any associated margin exchanged with our central clearing counterparties are treated as settlements of the derivative exposure, rather than collateral. Such payments are recognized as settlements of the derivatives contracts in a receivable and payable position on our Condensed Consolidated Balance Sheet.

Notional amounts are reference amounts from which contractual obligations are derived and are not recorded on the balance sheet. In our view, derivative notional is not an accurate measure of our derivative exposure when viewed in isolation from other factors, such as market rate fluctuations and counterparty credit risk.

	March 31, 2024			December 31, 2023		
	Derivative contracts in a			Derivative contracts in a		
($ in millions)	**receivable position**	**payable position**	**Notional amount**	receivable position	payable position	Notional amount
Derivatives designated as accounting hedges						
Interest rate contracts						
Swaps	**$ —**	**$ —**	**$ 32,390**	$ —	$ —	$ 35,835
Purchased options	**9**	**—**	**6,250**	31	—	6,250
Foreign exchange contracts						
Forwards	**—**	**—**	**160**	—	6	166
Total derivatives designated as accounting hedges	**9**	**—**	**38,800**	31	6	42,251
Derivatives not designated as accounting hedges						
Interest rate contracts						
Swaps	**—**	**—**	**1,000**	—	—	2,000
Forwards	**—**	**—**	**92**	—	—	70
Written options	**2**	**—**	**115**	2	—	88
Total interest rate risk	**2**	**—**	**1,207**	2	—	2,158
Foreign exchange contracts						
Forwards	**—**	**—**	**57**	—	1	59
Total foreign exchange risk	**—**	**—**	**57**	—	1	59
Credit contracts (a)						
Other credit derivatives	**—**	**10**	**n/a**	—	10	n/a
Total credit risk	**—**	**10**	**n/a**	—	10	n/a
Equity contracts						
Written options	**—**	**1**	**—**	—	—	—
Purchased options	**1**	**—**	**—**	—	—	—
Total equity risk	**1**	**1**	**—**	—	—	—
Total derivatives not designated as accounting hedges	**3**	**11**	**1,264**	2	11	2,217
Total derivatives	**$ 12**	**$ 11**	**$ 40,064**	$ 33	$ 17	$ 44,468

n/a = not applicable

(a) The maximum potential amount of undiscounted future payments that could be required under these credit derivatives was $24 million and $29 million as of March 31, 2024, and December 31, 2023, respectively.

The following table presents amounts recorded on our Condensed Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges.

	Carrying amount of the hedged items		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged items — Total		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged items — Discontinued (a)	
($ in millions)	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Assets						
Available-for-sale securities (b)	$ 15,937	$ 16,302	$ (278)	$ (79)	$ (151)	$ (156)
Finance receivables and loans, net (c)	47,482	54,189	(181)	(93)	(21)	(27)
Liabilities						
Long-term debt	$ 7,765	$ 7,750	$ 97	$ 100	$ 97	$ 100

(a) Represents the fair value hedging adjustment on qualifying hedges for which the hedging relationship was discontinued. This represents a subset of the amounts reported in the total hedging adjustment.

(b) These amounts include the amortized cost basis and unallocated basis adjustments of closed portfolios of available-for-sale securities used to designate hedging relationships in which the hedged item is the stated amount of assets in the closed portfolios anticipated to be outstanding for the designated hedge period. At March 31, 2024, and December 31, 2023, the amortized cost basis and unallocated basis adjustments of the closed portfolios used in these hedging relationships was $14.5 billion and $14.8 billion, respectively, of which $14.2 billion and $14.6 billion, respectively, represents the amortized cost basis and unallocated basis adjustments of closed portfolios designated in an active hedge relationship. At March 31, 2024, and December 31, 2023, the total cumulative basis adjustments associated with these hedging relationships was a $225 million liability and a $45 million liability, respectively, of which the portion related to discontinued hedging relationships was a $116 million liability and a $120 million liability, respectively. At both March 31, 2024, and December 31, 2023, the notional amounts of the designated hedged items were $11.3 billion, with cumulative basis adjustments of a $109 million liability and a $75 million asset, respectively, which would be allocated across the entire remaining closed pool upon termination or maturity of the hedge relationship. Refer to Note 7 for a reconciliation of the amortized cost and fair value of available-for-sale securities.

(c) These amounts include the carrying value of closed portfolios of loan receivables used to designate hedging relationships in which the hedged item is the stated amount of assets in the closed portfolios anticipated to be outstanding for the designated hedge period. At March 31, 2024, and December 31, 2023, the carrying value of the closed portfolios used in these hedging relationships was $47.5 billion and $54.2 billion, respectively, of which $41.0 billion and $50.0 billion, respectively, represents the carrying value of closed portfolios designated in an active hedge relationship. At March 31, 2024, and December 31, 2023, the total cumulative basis adjustments associated with these hedging relationships was a $181 million liability and a $93 million liability, respectively, of which the portion related to discontinued hedging relationships was a $21 million liability and a $27 million liability, respectively. At March 31, 2024, and December 31, 2023, the notional amounts of the designated hedged items were $19.7 billion and $23.2 billion, respectively, with cumulative basis adjustments of a $160 million liability and a $66 million liability, respectively, which would be allocated across the entire remaining closed pool upon termination or maturity of the hedge relationship.

Statement of Income Presentation

The following table summarizes the location and amounts of gains and losses on derivative instruments not designated as accounting hedges reported in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

	Three months ended March 31,	
($ in millions)	2024	2023
Gain (loss) recognized in earnings		
Interest rate contracts		
Gain on mortgage and automotive loans, net	$ 5	$ 5
Total interest rate contracts	5	5
Foreign exchange contracts		
Other operating expenses	1	1
Total foreign exchange contracts	1	1
Credit contracts		
Other income, net of losses	—	(5)
Total credit contracts	—	(5)
Equity contracts		
Other income, net of losses	—	(4)
Total equity contracts	—	(4)
Total gain (loss) recognized in earnings	$ 6	$ (3)

The following table summarizes the location and amounts of gains and losses on derivative instruments designated as qualifying fair value and cash flow hedges reported in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

Three months ended March 31, *($ in millions)*	Interest and fees on finance receivables and loans 2024	Interest and fees on finance receivables and loans 2023	Interest and dividends on investment securities and other earning assets 2024	Interest and dividends on investment securities and other earning assets 2023	Interest on long-term debt 2024	Interest on long-term debt 2023
Gain (loss) on fair value hedging relationships						
Interest rate contracts						
Hedged fixed-rate unsecured debt	**$ —**	$ —	**$ —**	$ —	**$ —**	$ 1
Derivatives designated as hedging instruments on fixed-rate unsecured debt	**—**	—	**—**	—	**—**	(1)
Hedged available-for-sale securities	**—**	—	**(205)**	130	**—**	—
Derivatives designated as hedging instruments on available-for-sale securities	**—**	—	**205**	(130)	**—**	—
Hedged fixed-rate consumer automotive loans	**(94)**	205	**—**	—	**—**	—
Derivatives designated as hedging instruments on fixed-rate consumer automotive loans	**94**	(205)	**—**	—	**—**	—
Total gain on fair value hedging relationships	**—**	—	**—**	—	**—**	—
(Loss) gain on cash flow hedging relationships						
Interest rate contracts						
Hedged variable-rate commercial loans						
Reclassified from accumulated other comprehensive loss into income	**(1)**	5	**—**	—	**—**	—
Total (loss) gain on cash flow hedging relationships	**$ (1)**	$ 5	**$ —**	$ —	**$ —**	$ —
Total amounts presented in the Condensed Consolidated Statement of Comprehensive (Loss) Income	**$ 2,827**	$ 2,575	**$ 266**	$ 238	**$ 248**	$ 227

During the next 12 months, we estimate $18 million of losses will be reclassified into pretax earnings from derivatives designated as cash flow hedges.

The following table summarizes the location and amounts of gains and losses related to interest and amortization on derivative instruments designated as qualifying fair value and cash flow hedges reported in our Condensed Consolidated Statement of Comprehensive (Loss) Income.

Three months ended March 31, *($ in millions)*	Interest and fees on finance receivables and loans 2024	Interest and fees on finance receivables and loans 2023	Interest and dividends on investment securities and other earning assets 2024	Interest and dividends on investment securities and other earning assets 2023	Interest on long-term debt 2024	Interest on long-term debt 2023
Gain on fair value hedging relationships						
Interest rate contracts						
Amortization of deferred unsecured debt basis adjustments	**$ —**	$ —	**$ —**	$ —	**$ 2**	$ 2
Amortization of deferred secured debt basis adjustments (FHLB advances)	**—**	—	**—**	—	**1**	1
Amortization of deferred basis adjustments of available-for-sale securities	**—**	—	**6**	5	**—**	—
Interest for qualifying accounting hedges of available-for-sale securities	**—**	—	**48**	13	**—**	—
Amortization of deferred loan basis adjustments	**5**	10	**—**	—	**—**	—
Interest for qualifying accounting hedges of consumer automotive loans held for investment	**82**	162	**—**	—	**—**	—
Total gain on fair value hedging relationships	**$ 87**	$ 172	**$ 54**	$ 18	**$ 3**	$ 3

The following table summarizes the effect of cash flow hedges on accumulated other comprehensive loss.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Interest rate contracts		
Loss recognized in other comprehensive (loss) income	**$ (21)**	$ (1)

The following table summarizes the effect of net investment hedges on accumulated other comprehensive loss.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Foreign exchange contracts (a) (b)		
Gain recognized in other comprehensive (loss) income	**$ 4**	$ —

(a) There were no amounts excluded from effectiveness testing for the three months ended March 31, 2024, or 2023.
(b) Gains and losses reclassified from accumulated other comprehensive loss are reported as other income, net of losses, in the Condensed Consolidated Statement of Comprehensive (Loss) Income. There were no amounts reclassified for the three months ended March 31, 2024, or 2023.

20. Income Taxes

We recognized total income tax expense from continuing operations of $14 million for the three months ended March 31, 2024, compared to income tax expense of $68 million for the same period in 2023. The decrease in income tax expense for the three months ended March 31, 2024, compared to the same period in 2023, was primarily due to the tax effects of a decrease in pretax earnings. Additionally, an income tax benefit for qualified clean vehicle tax credits for purchased plug-in electric vehicles or fuel cell vehicles, along with other tax credits, resulted in a significant variation in the customary relationship between pretax income and income tax expense for the three months ended March 31, 2024.

As of each reporting date, we consider existing evidence, both positive and negative, that could impact our view with regard to future realization of deferred tax assets. We continue to believe it is more likely than not that the benefit for certain foreign tax credit carryforwards and state net operating loss carryforwards will not be realized. In recognition of this risk, we continue to provide a partial valuation allowance on the deferred tax assets relating to these carryforwards and it is reasonably possible that the valuation allowance may change in the next 12 months.

21. Fair Value

Fair Value Measurements

For purposes of this disclosure, fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market in an orderly transaction between market participants at the measurement date under current market conditions. Fair value is based on the assumptions we believe market participants would use when pricing an asset or liability. Additionally, entities are required to consider all aspects of nonperformance risk, including the entity’s own credit standing, when measuring the fair value of a liability.

U.S. GAAP specifies a three-level hierarchy that is used when measuring and disclosing fair value. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). An instrument’s categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels.

Level 1 Inputs are quoted prices in active markets for identical assets or liabilities at the measurement date. Additionally, the entity must have the ability to access the active market, and the quoted prices cannot be adjusted by the entity.

Level 2 Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities; quoted prices in inactive markets for identical or similar assets or liabilities; or inputs that are observable or can be corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs are supported by little or no market activity. The unobservable inputs represent management’s best assumptions of how market participants would price the assets or liabilities. Generally, Level 3 assets and liabilities are valued using pricing models, discounted cash flow methodologies, or similar techniques that require significant judgment or estimation.

Judgment is used in estimating inputs to our internal valuation models used to estimate our Level 3 fair value measurements. Level 3 inputs such as interest rate movements, prepayment speeds, credit losses, and discount rates are inherently difficult to estimate. Changes to these inputs can have a significant effect on fair value measurements and amounts that could be realized.

The following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models, and significant assumptions utilized.

- ***Equity securities*** — We hold various marketable equity securities measured at fair value with changes in fair value recognized in net income. Measurements based on observable market prices are classified as Level 1.

- ***Available-for-sale securities*** — We carry our available-for-sale securities at fair value based on external pricing sources. We classify our securities as Level 1 when fair value is determined using quoted prices available for the same instruments trading in active markets. We classify our securities as Level 2 when fair value is determined using prices for similar instruments trading in active markets. We perform pricing validation procedures for our available-for-sale securities.

- ***Derivative instruments*** — We enter into a variety of derivative financial instruments as part of our risk-management strategies. Certain of these derivatives are exchange traded, such as equity options. To determine the fair value of these instruments, we utilize the quoted market prices for those particular derivative contracts; therefore, we classified these contracts as Level 1.

  We also execute OTC and centrally cleared derivative contracts, such as interest rate swaps, foreign-currency denominated forward contracts, caps, floors, and agency to-be-announced securities. We utilize third-party-developed valuation models that are widely accepted in the market to value these derivative contracts. The specific terms of the contract and market observable inputs (such as interest rate forward curves, interpolated volatility assumptions, or equity pricing) are used in the model. We classified these derivative contracts as Level 2 because all significant inputs into these models were market observable.

  We also enter into interest rate lock commitments and forward commitments that are executed as part of our mortgage business, certain of which meet the accounting definition of a derivative and therefore are recorded as derivatives on our Condensed Consolidated Balance Sheet. Interest rate lock commitments are valued using internal pricing models with unobservable inputs, so they are classified as Level 3.

  We purchase automotive finance receivables and loans from third parties as part of forward flow arrangements and, from time-to-time, execute opportunistic ad-hoc bulk purchases. As part of those agreements, we may be required to pay the counterparty at agreed upon measurement dates and determinable amounts if actual credit performance of the acquired loans on the measurement date is better than what was estimated at the time of acquisition. Because these contracts meet the accounting definition of a derivative, we recognize a liability at fair value for these deferred purchase price payments. The fair value of these liabilities is determined using a discounted cash flow method. To estimate cash flows, we utilize various significant assumptions, including market observable inputs (for example, forward interest rates) and internally developed inputs (for example, prepayment speeds, delinquency levels, and expected credit losses). These liabilities are valued using internal loss models with unobservable inputs, and are classified as Level 3.

  We are required to consider all aspects of nonperformance risk, including our own credit standing, when measuring fair value of derivative assets and liabilities. We reduce credit risk on the majority of our derivatives by entering into legally enforceable agreements that enable the posting and receiving of collateral associated with the fair value of our derivative positions on an ongoing basis. In the event that we do not enter into legally enforceable agreements that enable the posting and receiving of collateral, we will consider our credit risk in the valuation of derivative liabilities through a DVA and the credit risk of our counterparties in the valuation of derivative assets through a CVA, if warranted. When measuring these valuation adjustments, we generally use credit default swap spreads.

Recurring Fair Value

The following tables display the assets and liabilities measured at fair value on a recurring basis including financial instruments elected for the fair value option. We often economically hedge the fair value change of our assets or liabilities with derivatives. The tables below display the hedges separately from the hedged items; therefore, they do not directly display the impact of our risk-management activities.

	Recurring fair value measurements			
March 31, 2024 *($ in millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment securities				
Equity securities (a) (b)	$ 741	$ —	$ —	$ 741
Available-for-sale securities				
Debt securities				
U.S. Treasury and federal agencies	2,057	—	—	2,057
U.S. States and political subdivisions	—	632	11	643
Foreign government	48	134	—	182
Agency mortgage-backed residential	—	14,752	—	14,752
Mortgage-backed residential	—	219	—	219
Agency mortgage-backed commercial	—	3,800	—	3,800
Asset-backed	—	301	—	301
Corporate debt	—	1,730	—	1,730
Total available-for-sale securities	2,105	21,568	11	23,684
Mortgage loans held-for-sale (c)	—	27	—	27
Other assets				
Derivative contracts in a receivable position				
Interest rate	—	9	2	11
Equity	1	—	—	1
Total derivative contracts in a receivable position	1	9	2	12
Total assets	$ 2,847	$ 21,604	$ 13	$ 24,464
Liabilities				
Accrued expenses and other liabilities				
Derivative contracts in a payable position				
Credit	—	—	10	10
Equity	1	—	—	1
Total derivative contracts in a payable position	1	—	10	11
Total liabilities	$ 1	$ —	$ 10	$ 11

(a) Our direct investment in any one industry did not exceed 12%. The concentration calculation excludes our investment in mutual funds and ETFs.
(b) Excludes $47 million of equity securities that are measured at fair value using the net asset value practical expedient and therefore are not classified in the fair value hierarchy.
(c) Carried at fair value due to fair value option elections.

	Recurring fair value measurements			
December 31, 2023 *($ in millions)*	Level 1	Level 2	Level 3	Total
Assets				
Investment securities				
Equity securities (a) (b)	$ 765	$ —	$ 1	$ 766
Available-for-sale securities				
Debt securities				
U.S. Treasury and federal agencies	2,075	—	—	2,075
U.S. States and political subdivisions	—	649	9	658
Foreign government	51	132	—	183
Agency mortgage-backed residential	—	15,384	—	15,384
Mortgage-backed residential	—	225	—	225
Agency mortgage-backed commercial	—	3,758	—	3,758
Asset-backed	—	332	—	332
Corporate debt	—	1,800	—	1,800
Total available-for-sale securities	2,126	22,280	9	24,415
Mortgage loans held-for-sale (c)	—	25	—	25
Other assets				
Derivative contracts in a receivable position				
Interest rate	—	31	2	33
Total derivative contracts in a receivable position	—	31	2	33
Total assets	$ 2,891	$ 22,336	$ 12	$ 25,239
Liabilities				
Accrued expenses and other liabilities				
Derivative contracts in a payable position				
Foreign currency	$ —	$ 7	$ —	$ 7
Credit	—	—	10	10
Total derivative contracts in a payable position	—	7	10	17
Total liabilities	$ —	$ 7	$ 10	$ 17

(a) Our direct investment in any one industry did not exceed 11%. The concentration calculation excludes our investment in mutual funds and ETFs.
(b) Excludes $44 million of equity securities that are measured at fair value using the net asset value practical expedient and therefore are not classified in the fair value hierarchy.
(c) Carried at fair value due to fair value option elections.

The following tables present the reconciliation for all Level 3 assets and liabilities measured at fair value on a recurring basis. We often economically hedge the fair value change of our assets or liabilities with derivatives and other financial instruments. The Level 3 items presented below may be hedged by derivatives and other financial instruments that are classified as Level 1 or Level 2. Thus, the following tables do not fully reflect the impact of our risk-management activities.

	Equity securities		Available-for-sale securities		Finance receivables and loans, net (a)	
($ in millions)	**2024**	2023	**2024**	2023	**2024**	2023
Assets						
Fair value at January 1,	**$ 1**	$ 1	**$ 9**	$ 4	**$ —**	$ 3
Net realized/unrealized gains						
Included in earnings	**—**	—	**—**	—	**—**	—
Included in OCI	**—**	—	**—**	—	**—**	—
Purchases	**—**	—	**2**	—	**—**	—
Sales	**—**	—	**—**	—	**—**	—
Issuances	**—**	—	**—**	—	**—**	—
Settlements	**—**	—	**—**	—	**—**	(1)
Transfers into Level 3	**—**	—	**—**	—	**—**	—
Transfers out of Level 3	**(1)**	—	**—**	—	**—**	—
Fair value at March 31,	**$ —**	$ 1	**$ 11**	$ 4	**$ —**	$ 2
Net unrealized gains still held at March 31,						
Included in earnings	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —
Included in OCI	**—**	—	**—**	—	**—**	—

(a) Carried at fair value due to fair value option elections.

	Derivative liabilities, net of derivative assets (a)	
($ in millions)	**2024**	2023
Liabilities		
Fair value at January 1,	**$ 8**	$ 39
Net realized/unrealized gains		
Included in earnings	**(4)**	—
Included in OCI	**—**	—
Purchases	**—**	—
Sales	**—**	—
Issuances	**—**	—
Settlements	**—**	—
Transfers into Level 3	**—**	—
Transfers out of Level 3 (b)	**4**	3
Fair value at March 31,	**$ 8**	$ 42
Net unrealized (gains) losses still held at March 31,		
Included in earnings	**$ (2)**	$ 3
Included in OCI	**—**	—

(a) Net realized/unrealized gains are reported as gain on mortgage and automotive loans, net, and other income, net of losses, in the Condensed Consolidated Statement of Comprehensive (Loss) Income.

(b) Represents the settlement value of interest rate derivative assets that are transferred to loans held-for-sale within Level 2 of the fair value hierarchy during the three months ended March 31, 2023. These transfers are deemed to have occurred at the end of the reporting period.

Nonrecurring Fair Value

We may be required to measure certain assets and liabilities at fair value from time to time. These periodic fair value measures typically result from the application of lower-of-cost or fair value accounting or certain impairment measures. These items would constitute nonrecurring fair value measures.

The following tables display assets and liabilities measured at fair value on a nonrecurring basis and still held at March 31, 2024, and December 31, 2023, respectively. The amounts are generally as of the end of each period presented, which approximate the fair value measurements that occurred during each period. These tables exclude assets of operations held-for-sale, refer to Note 2 for additional information.

	Nonrecurring fair value measurements					
March 31, 2024 *($ in millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**	**Lower-of-cost-or-fair-value reserve, valuation reserve, or cumulative adjustments**	**Total gain (loss) included in earnings**
Assets						
Loans held-for-sale, net	$ —	$ —	$ 331	$ 331	$ —	n/m (a)
Commercial finance receivables and loans, net (b)						
Automotive	—	—	2	2	—	n/m (a)
Other	—	—	49	49	(43)	n/m (a)
Total commercial finance receivables and loans, net	—	—	51	51	(43)	n/m (a)
Other assets						
Nonmarketable equity investments	—	3	2	5	2	n/m (a)
Repossessed and foreclosed assets (c)	—	—	8	8	(1)	n/m (a)
Total assets	$ —	$ 3	$ 392	$ 395	$ (42)	n/m

n/m = not meaningful

(a) We consider the applicable valuation allowance, allowance for loan losses, or cumulative adjustments to be the most relevant indicator of the impact on earnings caused by the fair value measurement. Accordingly, the table above excludes total gains and losses included in earnings for these items. The carrying values are inclusive of the respective valuation reserve, loan loss allowance, or cumulative adjustment.

(b) Represents collateral-dependent loans held for investment for which a nonrecurring measurement was made. The related allowance for loan losses represents the cumulative fair value adjustments for those specific receivables.

(c) The allowance provided for repossessed and foreclosed assets represents any cumulative valuation adjustment recognized to adjust the assets to fair value.

	Nonrecurring fair value measurements					
December 31, 2023 *($ in millions)*	Level 1	Level 2	Level 3	Total	Lower-of-cost-or-fair-value reserve, valuation reserve, or cumulative adjustments	Total gain (loss) included in earnings
Assets						
Loans held-for-sale, net	$ —	$ —	$ 375	$ 375	$ —	n/m (a)
Commercial finance receivables and loans, net (b)						
Automotive	—	—	6	6	—	n/m (a)
Other	—	—	49	49	(43)	n/m (a)
Total commercial finance receivables and loans, net	—	—	55	55	(43)	n/m (a)
Other assets						
Nonmarketable equity investments	—	—	1	1	1	n/m (a)
Repossessed and foreclosed assets (c)	—	—	10	10	(1)	n/m (a)
Total assets	$ —	$ —	$ 441	$ 441	$ (43)	n/m

n/m = not meaningful

(a) We consider the applicable valuation allowance, allowance for loan losses, or cumulative adjustments to be the most relevant indicator of the impact on earnings caused by the fair value measurement. Accordingly, the table above excludes total gains and losses included in earnings for these items. The carrying values are inclusive of the respective valuation reserve, loan loss allowance, or cumulative adjustment.

(b) Represents collateral-dependent loans held for investment for which a nonrecurring measurement was made. The related allowance for loan losses represents the cumulative fair value adjustments for those specific receivables.

(c) The allowance provided for repossessed and foreclosed assets represents any cumulative valuation adjustment recognized to adjust the assets to fair value.

Fair Value Option for Financial Assets

We elected the fair value option for an insignificant amount of conforming mortgage loans held-for-sale and certain personal lending finance receivables. We elected the fair value option for conforming mortgage loans held-for-sale to mitigate earnings volatility by better matching the accounting for the assets with the related derivatives. We elected the fair value option for certain personal lending finance receivables to mitigate the complexities of recording these loans at amortized cost. Our intent in electing fair value measurement was to mitigate a divergence between accounting gains or losses and economic exposure for certain assets and liabilities.

Fair Value of Financial Instruments

The following table presents the carrying and estimated fair value of financial instruments, except for those recorded at fair value on a recurring basis presented in the previous section of this note titled *Recurring Fair Value.* This table excludes assets of operations held-for-sale, refer to Note 2 for additional information. When possible, we use quoted market prices to determine fair value. Where quoted market prices are not available, the fair value is internally derived based on appropriate valuation methodologies with respect to the amount and timing of future cash flows and estimated discount rates. However, considerable judgment is required in interpreting current market data to develop the market assumptions and inputs necessary to estimate fair value. As such, the actual amount received to sell an asset or the amount paid to settle a liability could differ from our estimates. Fair value information presented herein was based on information available at March 31, 2024, and December 31, 2023.

		Estimated fair value			
($ in millions)	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
March 31, 2024					
Financial assets					
Held-to-maturity securities	**$ 4,655**	**$ —**	**$ 4,633**	**$ —**	**$ 4,633**
Loans held-for-sale, net	**331**	**—**		**331**	**331**
Finance receivables and loans, net	**134,410**	**—**	**—**	**136,081**	**136,081**
FHLB/FRB stock (a)	**641**	**—**	**641**	**—**	**641**
Financial liabilities					
Deposit liabilities	**$ 51,095**	**$ —**	**$ —**	**$ 51,101**	**$ 51,101**
Long-term debt	**17,011**	**—**	**12,717**	**5,221**	**17,938**
December 31, 2023					
Financial assets					
Held-to-maturity securities	$ 4,680	$ —	$ 4,729	$ —	$ 4,729
Loans held-for-sale, net	375	—	—	375	375
Finance receivables and loans, net	135,852	—	—	137,244	137,244
FHLB/FRB stock (a)	784	—	784	—	784
Financial liabilities					
Deposit liabilities	$ 55,187	$ —	$ —	$ 55,311	$ 55,311
Short-term borrowings	3,297	—	—	3,335	3,335
Long-term debt	17,570	—	12,789	5,749	18,538

(a) Included in other assets on our Condensed Consolidated Balance Sheet.

In addition to the financial instruments presented in the above table, we have various financial instruments for which the carrying value approximates the fair value due to their short-term nature and limited credit risk. These instruments include cash and cash equivalents, restricted cash, cash collateral, accrued interest receivable, accrued interest payable, trade receivables and payables, and other short-term receivables and payables. Included in cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value due to interest rate, quoted price, or penalty on withdrawal. Classified as Level 1 under the fair value hierarchy, cash and cash equivalents generally expose us to limited credit risk and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

22. Offsetting Assets and Liabilities

Our derivative contracts and repurchase/reverse repurchase transactions are generally supported by qualifying master netting and master repurchase agreements. These agreements are legally enforceable bilateral agreements that (i) create a single legal obligation for all individual transactions covered by the agreement to the nondefaulting entity upon an event of default of the counterparty, including bankruptcy, insolvency, or similar proceeding, and (ii) provide the nondefaulting entity the right to accelerate, terminate, and close-out on a net basis all transactions under the agreement and to liquidate or set off collateral promptly upon an event of default of the counterparty.

To further mitigate the risk of counterparty default related to derivative instruments, we maintain collateral agreements with certain counterparties. The agreements require both parties to maintain collateral in the event the fair values of the derivative financial instruments meet established thresholds. In the event that either party defaults on the obligation, the secured party may seize the collateral. Generally, our collateral arrangements are bilateral such that we and the counterparty post collateral for the obligation. Contractual terms provide for standard and customary exchange of collateral based on changes in the market value of the outstanding derivatives. A party posts additional collateral when their obligation rises or removes collateral when it falls, such that the net replacement cost of the nondefaulting party is covered in the event of counterparty default.

In certain instances, as it relates to our derivative instruments, we have the option to report derivative assets and liabilities as well as assets and liabilities associated with cash collateral received or delivered that is governed by a master netting agreement on a net basis as long as certain qualifying criteria are met. Similarly, for our repurchase/reverse repurchase transactions, we have the option to report recognized assets and liabilities subject to a master netting agreement on a net basis if certain qualifying criteria are met. At March 31, 2024, these instruments are reported as gross assets and gross liabilities on the Condensed Consolidated Balance Sheet. For additional information on derivative instruments and hedging activities, refer to Note 19.

The composition of offsetting derivative instruments, financial assets, and financial liabilities was as follows.

				Gross amounts not offset on the Condensed Consolidated Balance Sheet		
($ in millions)	**Gross amounts of recognized assets/liabilities**	**Gross amounts offset on the Condensed Consolidated Balance Sheet**	**Net amounts of assets/liabilities presented on the Condensed Consolidated Balance Sheet**	**Financial instruments**	**Collateral (a) (b) (c)**	**Net amount**
March 31, 2024						
Assets						
Derivative assets (d)	**$ 12**	**$ —**	**$ 12**	**$ —**	**$ (9)**	**$ 3**
Total assets	**$ 12**	**$ —**	**$ 12**	**$ —**	**$ (9)**	**$ 3**
Liabilities						
Derivative liabilities (e)	**$ 11**	**$ —**	**$ 11**	**$ —**	**$ —**	**$ 11**
Total liabilities	**$ 11**	**$ —**	**$ 11**	**$ —**	**$ —**	**$ 11**
December 31, 2023						
Assets						
Derivative assets (d)	$ 33	$ —	$ 33	$ —	$ (31)	$ 2
Total assets	$ 33	$ —	$ 33	$ —	$ (31)	$ 2
Liabilities						
Derivative liabilities (e)	$ 17	$ —	$ 17	$ —	$ (6)	$ 11
Securities sold under agreements to repurchase (f)	747	—	747	—	(747)	—
Total liabilities	$ 764	$ —	$ 764	$ —	$ (753)	$ 11

(a) Financial collateral received/pledged shown as a balance based on the sum of all net asset and liability positions between Ally and each individual derivative counterparty.
(b) Amounts disclosed are limited to the financial asset or liability balance and, accordingly, exclude excess collateral received or pledged and noncash collateral received. We do not record noncash collateral received on our Condensed Consolidated Balance Sheet unless certain conditions are met.
(c) Certain agreements grant us the right to sell or pledge the noncash assets we receive as collateral. We have not sold or pledged any of the noncash collateral received under these agreements.
(d) Includes derivative assets with no offsetting arrangements of $2 million for both March 31, 2024, and December 31, 2023.
(e) Includes derivative liabilities with no offsetting arrangements of $10 million for both March 31, 2024, and December 31, 2023.
(f) For additional information on securities sold under agreements to repurchase, refer to Note 13.

23. Segment Information

Operating segments are defined as components of an enterprise that engage in business activity from which revenues are earned and expenses incurred for which discrete financial information is available that is evaluated regularly by our CODM in deciding how to allocate resources and in assessing performance.

We report our results of operations on a business-line basis through four operating segments: Automotive Finance operations, Insurance operations, Mortgage Finance operations, and Corporate Finance operations, with the remaining activity reported in Corporate and Other. The operating segments are determined based on the products and services offered, and reflect the manner in which financial information is currently evaluated by management. The following is a description of each of our reportable operating segments.

Dealer Financial Services

Dealer Financial Services comprises the following two segments.

- ***Automotive Finance operations*** — One of the largest full-service automotive finance operations in the United States providing automotive financing services to consumers, automotive dealers and retailers, companies, and municipalities. Our automotive finance services include providing retail installment sales contracts, loans and operating leases, offering term loans to dealers, financing dealer floorplans and other lines of credit to dealers, warehouse lines to automotive retailers, fleet financing, providing financing to companies and municipalities for the purchase or lease of vehicles, and vehicle-remarketing services.

- ***Insurance operations*** — A complementary automotive-focused business offering both consumer finance protection and insurance products sold primarily through the automotive dealer channel, and commercial insurance products sold directly to dealers. As part of our focus on offering dealers a broad range of consumer financial and insurance products, we provide VSCs, VMCs, and GAP products. We also underwrite select commercial insurance coverages, which primarily insure dealers' vehicle inventory.

Mortgage Finance operations

Our held-for-investment portfolio includes our direct-to-consumer Ally Home mortgage offering and bulk purchases of high-quality jumbo and LMI mortgage loans originated by third parties. Through our direct-to-consumer channel, we offer a variety of competitively priced jumbo and conforming fixed- and adjustable-rate mortgage products through a third party. Through the bulk loan channel, we purchase loans from several qualified sellers, on a servicing-released basis, allowing us to directly oversee servicing activities and manage refinancing through our direct-to-consumer channel.

Corporate Finance operations

Our Corporate Finance operations provide senior secured asset-based and leveraged cash flow loans to mostly U.S.-based middle-market companies, with a focus on businesses owned by private equity sponsors. These loans are typically used for leveraged buyouts, refinancing and recapitalizations, mergers and acquisitions, growth, turnarounds, and debtor-in-possession financings. We also provide, through our Lender Finance business, nonbank wholesale-funded managers with partial funding for their direct-lending activities, which is principally leveraged loans. Additionally, we offer a commercial real estate product, currently focused on lending to skilled nursing facilities, senior housing, and medical office buildings.

Corporate and Other

Corporate and Other primarily consists of centralized corporate treasury activities, such as management of the cash and corporate investment securities and loan portfolios, short- and long-term debt, retail and brokered deposit liabilities, derivative instruments, original issue discount, and the residual impacts of our corporate FTP and treasury ALM activities. Corporate and Other also includes certain equity investments, which primarily consist of FHLB and FRB stock—as well as other equity investments through Ally Ventures, our strategic investment business—and the management of our legacy mortgage portfolio, which primarily consists of loans originated prior to January 1, 2009, and reclassifications and eliminations between the reportable operating segments. Financial results related to Ally Invest, our digital brokerage and advisory offering, Ally Lending, Ally Credit Card, and CRA loans and investments are also included within Corporate and Other. On December 31, 2023, we committed to sell Ally Lending. We closed the sale of Ally Lending on March 1, 2024. Refer to Note 2 for additional information.

We utilize an FTP methodology for the majority of our business operations. The FTP methodology assigns charge rates and credit rates to classes of assets and liabilities on a match funded basis, aligned with the expected duration and the benchmark rate curve plus an assumed credit spread. The assumed credit spread is calculated based on a composite investment grade unsecured bond yield curve or based on advance rates published by the FHLB for any asset that is eligible to be pledged as collateral to the FHLB. While the baseline FTP components at Ally assume 100% debt funding, the framework also incorporates a credit on the allocated capital for each business line. For business lines not subject to an FTP funding allocation, the FTP methodology applies a capital charge to the amount of excess liquidity that the business line holds, relative to its regulatory capital. This reduces the allocated interest expense to account for the equity that must be held based on Ally's internal capital requirement. The net residual impact of the FTP methodology is included within the results of Corporate and Other.

The information presented in our reportable operating segments is based in part on internal allocations and methodologies, including a COH methodology, which involves management judgment. COH methodology is used for measuring the profit and loss of our reportable operating segments. We have various enterprise functions, such as technology, marketing, finance, compliance, internal audit, and risk. Operating expenses from the enterprise functions are either directly allocated to the reportable operating segment, indirectly allocated to the reportable operating segment utilizing the COH methodology, or remain in Corporate and Other. COH methodology considers the reportable operating segment expense base and enterprise function expenses. The reportable operating segment expense base is used to determine the allocation mix. This mix is applied to the allocable expenses in Corporate and Other to determine the COH for the respective reportable operating segment. Allocable enterprise function costs are primarily technology and marketing expenses. Generally, costs that remain within Corporate and Other that are not allocated to our reportable operating segments include marketing sponsorships, treasury and other corporate activities, and charitable contributions.

Financial information for our reportable operating segments is summarized as follows.

Three months ended March 31, *($ in millions)*	Automotive Finance operations	Insurance operations	Mortgage Finance operations	Corporate Finance operations	Corporate and Other	Consolidated (a)
2024						
Net financing revenue and other interest income	**$ 1,314**	**$ 29**	**$ 52**	**$ 111**	**$ (50)**	**$ 1,456**
Other revenue	**97**	**384**	**6**	**23**	**20**	**530**
Total net revenue	**1,411**	**413**	**58**	**134**	**(30)**	**1,986**
Provision for credit losses	**448**	**—**	**—**	**(1)**	**60**	**507**
Total noninterest expense	**641**	**343**	**33**	**45**	**246**	**1,308**
Income (loss) from continuing operations before income tax expense	**$ 322**	**$ 70**	**$ 25**	**$ 90**	**$ (336)**	**$ 171**
Total assets	**$ 114,613**	**$ 9,100**	**$ 18,303**	**$ 10,410**	**$ 40,451**	**$ 192,877**
2023						
Net financing revenue and other interest income	$ 1,322	$ 26	$ 54	$ 103	$ 97	$ 1,602
Other revenue	77	381	4	29	7	498
Total net revenue	1,399	407	58	132	104	2,100
Provision for credit losses	351	—	(1)	15	81	446
Total noninterest expense	606	315	38	45	262	1,266
Income (loss) from continuing operations before income tax expense	$ 442	$ 92	$ 21	$ 72	$ (239)	$ 388
Total assets	$ 111,960	$ 8,867	$ 19,290	$ 10,226	$ 45,822	$ 196,165

(a) Net financing revenue and other interest income after the provision for credit losses totaled $949 million and $1.2 billion for the three months ended March 31, 2024, and 2023, respectively.

24. Contingencies and Other Risks

As a financial-services company, we are regularly involved in pending or threatened legal proceedings and other matters and are or may be subject to potential liability in connection with them. These legal matters may be formal or informal and include litigation and arbitration with one or more identified claimants, certified or purported class actions with yet-to-be-identified claimants, and regulatory or other governmental information-gathering requests, examinations, investigations, and enforcement proceedings. Our legal matters exist in varying stages of adjudication, arbitration, negotiation, or investigation and span our business lines and operations. Claims may be based in law or equity—such as those arising under contracts or in tort and those involving banking, consumer-protection, securities, tax, employment, and other laws—and some can present novel legal theories and allege substantial or indeterminate damages.

Ally and its subsidiaries, including Ally Bank, also are or may be subject to potential liability under other contingent exposures, including indemnification, tax, self-insurance, and other miscellaneous contingencies.

We accrue for a legal matter or other contingent exposure when a loss becomes probable and the amount of loss can be reasonably estimated. Accruals are evaluated each quarter and may be adjusted, upward or downward, based on our best judgment after consultation with counsel. No assurance exists that our accruals will not need to be adjusted in the future. When a probable or reasonably possible loss on a legal matter or other contingent exposure could be material to our consolidated financial condition, results of operations, or cash flows, we provide disclosure in this note as prescribed by ASC Topic 450, *Contingencies*. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information related to our policy for establishing accruals.

The course and outcome of legal matters are inherently unpredictable. This is especially so when a matter is still in its early stages, the damages sought are indeterminate or unsupported, significant facts are unclear or disputed, novel questions of law or other meaningful legal uncertainties exist, a request to certify a proceeding as a class action is outstanding or granted, multiple parties are named, or regulatory or other governmental entities are involved. Other contingent exposures and their ultimate resolution are similarly unpredictable for reasons that can vary based on the circumstances.

As a result, we often are unable to determine how or when threatened or pending legal matters and other contingent exposures will be resolved and what losses may be incrementally and ultimately incurred. Actual losses may be higher or lower than any amounts accrued or estimated for those matters and other exposures, possibly to a significant degree.

Subject to the foregoing, based on our current knowledge and after consultation with counsel, we do not believe that the ultimate outcomes of currently threatened or pending legal matters and other contingent exposures are likely to be material to our consolidated financial condition after taking into account existing accruals. In light of the uncertainties inherent in these matters and other exposures, however, one or more of them could be material to our results of operations or cash flows during a particular reporting period, depending on factors such as the amount of the loss or liability and the level of our income for that period.

25. Subsequent Events

Declaration of Common Dividend

On April 15, 2024, our Board declared a quarterly cash dividend of $0.30 per share on all common stock. The dividend is payable on May 15, 2024, to stockholders of record at the close of business on May 1, 2024.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Notice about Forward-Looking Statements and Other Terms

From time to time we have made, and in the future will make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “pursue,” “seek,” “continue,” “estimate,” “project,” “outlook,” “forecast,” “potential,” “target,” “objective,” “trend,” “plan,” “goal,” “initiative,” “priorities,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.” Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, or results.

This report, including any information incorporated by reference in this report, contains forward-looking statements. We also may make forward-looking statements in other documents that are filed or furnished with the SEC. In addition, we may make forward-looking statements orally or in writing to investors, analysts, members of the media, or others.

All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. While no list of assumptions, risks, or uncertainties could be complete, some of the factors that may cause actual results or other future events or circumstances to differ from those in forward-looking statements include:

- evolving local, regional, national, or international business, economic, or political conditions;
- changes in laws or the regulatory or supervisory environment, including as a result of financial-services legislation, regulation, or policies or changes in government officials or other personnel;
- changes in monetary, fiscal, or trade laws or policies, including as a result of actions by governmental agencies, central banks, or supranational authorities;
- changes in accounting standards or policies;
- changes in the automotive industry or the markets for new or used vehicles, including the rise of vehicle sharing and ride hailing, the development of autonomous and alternative-energy vehicles, and the impact of demographic shifts on attitudes and behaviors toward vehicle type, ownership, and use;
- any instability or breakdown in the financial system, including as a result of the failure of a financial institution or other participants in it (such as the banking failures during 2023);
- disruptions or shifts in investor sentiment or behavior in the securities, capital, or other financial markets, including financial or systemic shocks and volatility or changes in market liquidity, interest or currency rates, or valuations;
- changes in business or consumer sentiment, preferences, or behavior, including spending, borrowing, or saving by businesses or households;
- changes in our corporate or business strategies, the composition of our assets, or the way in which we fund those assets;
- our ability to execute our business strategy for Ally Bank, including its digital focus;
- our ability to optimize our automotive finance and insurance businesses and to continue diversifying into and growing other consumer and commercial business lines, including mortgage lending, credit cards, corporate finance, brokerage, and personal advice;
- our ability to develop capital plans acceptable to the FRB and our ability to implement them, including any payment of dividends or share repurchases;
- our ability to conduct appropriate stress tests and effectively plan for and manage capital or liquidity consistent with evolving business or operational needs, risk-management standards, and regulatory or supervisory requirements or expectations;
- our ability to cost-effectively fund our business and operations, including through deposits (which could be subject to sudden withdrawals) and the capital markets;
- changes in any credit rating assigned to Ally, including Ally Bank, or the ratings for our insurance business;
- adverse publicity or other reputational harm to us, our service providers, or our senior officers;
- our ability to develop, maintain, or market our products or services or to absorb unanticipated costs or liabilities associated with those products or services;

- our ability to innovate, to anticipate the needs of current or future customers, to successfully compete, to increase or hold market share in changing competitive environments, or to deal with pricing or other competitive pressures;
- the continuing profitability and viability of our dealer-centric automotive finance and insurance businesses, especially in the face of competition from captive finance companies and their automotive manufacturing sponsors and challenges to the dealer’s role as intermediary between manufacturers and purchasers;
- our ability to appropriately underwrite loans that we originate or purchase and to otherwise manage credit risk;
- changes in the credit, liquidity, or other financial condition of our customers, counterparties, service providers, or competitors;
- our ability to effectively deal with economic, business, or market slowdowns or disruptions;
- our ability to address heightened scrutiny and expectations from supervisory or other governmental authorities and to timely and credibly remediate related concerns or deficiencies;
- judicial, regulatory, or administrative inquiries, examinations, investigations, proceedings, disputes, or rulings that create uncertainty for, or are adverse to, us or the financial services industry;
- the potential outcomes of judicial, regulatory, or administrative inquiries, examinations, investigations, proceedings, or disputes to which we are or may be subject, and our ability to absorb and address any damages or other remedies that are sought or awarded, and any collateral consequences;
- the performance and availability of third-party service providers on whom we rely in delivering products and services to our customers and otherwise conducting our business and operations;
- our ability to manage and mitigate security risks, including our capacity to withstand cyberattacks;
- our ability to maintain secure and functional financial, accounting, technology, data processing, or other operating systems or infrastructure;
- the adequacy of our corporate governance, risk-management framework, compliance programs, or internal controls over financial reporting, including our ability to control lapses or deficiencies in financial reporting or to effectively mitigate or manage operational risk;
- the efficacy of our methods or models in assessing business strategies or opportunities or in valuing, measuring, estimating, monitoring, or managing positions or risk;
- our ability to keep pace with changes in technology, such as artificial intelligence, that affect us or our customers, counterparties, service providers, or competitors or to maintain rights or interests in associated intellectual property;
- our ability to successfully make acquisitions or divestitures or to integrate acquired businesses;
- the adequacy of our succession planning for key executives or other personnel and our ability to attract or retain qualified employees;
- natural or man-made disasters, calamities, or conflicts, including terrorist events, cyber-warfare, and pandemics;
- our ability to maintain appropriate ESG practices, oversight, and disclosures;
- policies and other actions of governments to manage and mitigate climate and related environmental risks, and the effects of climate change or the transition to a lower-carbon economy on our business, operations, and reputation; or
- other assumptions, risks, or uncertainties described in the Risk Factors (Part II, Item 1A herein), Management’s Discussion and Analysis of Financial Condition and Results of Operations (Part I, Item 2 herein), or the Notes to the Condensed Consolidated Financial Statements (Part I, Item 1 herein) in this Quarterly Report on Form 10-Q or described in any of the Company’s annual, quarterly or current reports.

Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, or Current Report on Form 8-K.

Unless the context otherwise requires, the following definitions apply. The term “loans” means the following consumer and commercial products associated with our direct and indirect financing activities: loans, retail installment sales contracts, lines of credit, and other financing products excluding operating leases. The term “operating leases” means consumer- and commercial-vehicle lease agreements where Ally is the lessor and the lessee is generally not obligated to acquire ownership of the vehicle at lease-end or compensate Ally for the vehicle’s residual value. The terms “lend,” “finance,” and “originate” mean our direct extension or origination of loans, our purchase or acquisition of loans, or our purchase of operating leases, as applicable. The term “consumer” means all consumer products associated with our loan and operating-lease activities and all commercial retail installment sales contracts. The term “commercial” means all commercial products associated with our loan activities, other than commercial retail installment sales contracts. The term “partnerships” means business arrangements rather than partnerships as defined by law.

Overview

Ally Financial Inc. (together with its consolidated subsidiaries unless the context otherwise requires, Ally, the Company, we, us, or our) is a financial-services company with the nation's largest all-digital bank and an industry-leading automotive financing and insurance business, driven by a mission to "Do It Right" and be a relentless ally for customers and communities. The Company serves customers through a full range of online banking services (including deposits, mortgage, and credit card products) and securities brokerage and investment advisory services. The Company also includes a corporate finance business that offers capital for equity sponsors and middle-market companies. Ally is a Delaware corporation and is registered as a BHC under the BHC Act and an FHC under the GLB Act.

Primary Business Lines

Dealer Financial Services, which includes our Automotive Finance and Insurance operations, Mortgage Finance, and Corporate Finance are our primary business lines. The remaining activity is reported in Corporate and Other, which primarily consists of centralized treasury activities as well as Ally Invest, our digital brokerage and personal advice offering, Ally Lending, Ally Credit Card, CRA loans and investments, and certain strategic investments. On March 1, 2024, we sold Ally Lending. For further information, refer to Note 2 to the Condensed Consolidated Financial Statements. The following table summarizes the operating results excluding discontinued operations of each business line. Operating results for each of the business lines are more fully described in the MD&A sections that follow.

	Three months ended March 31,		
($ in millions)	**2024**	2023	**Favorable/(unfavorable) % change**
Total net revenue			
Dealer Financial Services			
Automotive Finance	**$ 1,411**	$ 1,399	**1**
Insurance	**413**	407	**1**
Mortgage Finance	**58**	58	**—**
Corporate Finance	**134**	132	**2**
Corporate and Other	**(30)**	104	**(129)**
Total	**$ 1,986**	$ 2,100	**(5)**
Income (loss) from continuing operations before income tax expense			
Dealer Financial Services			
Automotive Finance	**$ 322**	$ 442	**(27)**
Insurance	**70**	92	**(24)**
Mortgage Finance	**25**	21	**19**
Corporate Finance	**90**	72	**25**
Corporate and Other	**(336)**	(239)	**(41)**
Total	**$ 171**	$ 388	**(56)**

- Our Dealer Financial Services business is one of the largest full-service automotive finance operations in the country and offers a wide range of financial services and insurance products to automotive dealerships and their customers. Dealer Financial Services comprises our Automotive Finance and Insurance segments.

  Our Automotive Finance operations include purchasing retail installment sales contracts and operating leases from dealers and automotive retailers, extending automotive loans directly to consumers, offering term loans to dealers, financing dealer floorplans and providing other lines of credit to dealers, supplying warehouse lines to automotive retailers, offering automotive-fleet financing, providing financing to companies and municipalities for the purchase or lease of vehicles, and supplying vehicle-remarketing services. Our success as an automotive-finance provider is driven by the consistent and broad range of products and services we offer to dealers and automotive retailers. The automotive marketplace is dynamic and evolving, including substantial investments in electrification by automobile manufacturers and suppliers. We continue to identify and cultivate relationships with automotive retailers, including those with leading e-commerce platforms. We also operate an online direct-lending platform for consumers seeking direct financing. We believe these actions will enable us to respond to the growing trends for a more streamlined and digital automotive financing process to serve both dealers and consumers. Additionally, we provide comprehensive automotive remarketing services, including the use of SmartAuction, our online auction platform, which efficiently supports dealer-to-dealer and other commercial wholesale vehicle transactions. SmartAuction provides diversified fee-based revenue and serves as a means of deepening relationships with our dealership customers. Furthermore, our strong and expansive dealer relationships, comprehensive suite of products and services, full-spectrum financing, and depth of experience position us to evolve with future shifts in automobile technologies, including electrification. We have provided and continue to provide automobile financing for battery-electric and plug-in hybrid vehicles, including brands such as Jeep, Tesla, Ford, and BMW. This positions us to remain a leader in automotive financing as we believe the majority of these vehicles will be sold through dealerships and automotive retailers with whom we have an established relationship. Additionally, we continue to partner and build relationships with automotive manufacturers who use a direct-to-consumer model. During the three months ended March 31, 2024, $305 million of our consumer automotive retail loan originations and purchases, and $417 million of our operating lease originations and purchases, were for battery-electric and plug-in hybrid vehicles. As of March 31, 2024, $1.3 billion of our consumer automotive finance receivables and loans had battery-electric or plug-in hybrid vehicles as the underlying collateral, and $1.3 billion of our investment in operating leases were battery-electric or plug-in hybrid vehicles.

We have focused on developing dealer relationships beyond those relationships that primarily were developed through our previous role as a captive finance company for GM and Stellantis. We have established relationships with thousands of automotive dealers through our customer-centric approach and specialized incentive programs designed to drive loyalty amongst dealers to our products and services. Outside of GM and Stellantis, our other OEM-franchised dealers include brands such as Ford, Toyota, Hyundai, Kia, Nissan, Honda, and others, including automotive manufacturers who use a direct-to-consumer model. Our non-OEM-franchised dealers and automotive retailers include used-vehicle-only retailers with a national presence, as well as online-only automotive retailers, such as Carvana, CarMax, and EchoPark.

Our Insurance operations offer both consumer finance protection and insurance products sold primarily through the automotive dealer channel, and commercial insurance products sold directly to dealers. We serve approximately 2.5 million consumers nationwide across F&I and P&C products. During 2024, we added relationships with Nissan and Toyota to our vehicle inventory insurance program. In addition, we offer F&I products in Canada, where we serve more than 400 thousand consumers and are the preferred VSC and other protection plan provider for GM Canada and VSC provider for Subaru Canada. Our contract to serve as the preferred VSC and protection plan provider for GM Canada extends into the third quarter of 2027.

As part of our focus on offering dealers a broad range of consumer F&I products, we offer VSCs, VMCs, and GAP products. Ally Premier Protection is our flagship VSC offering, which provides coverage for new and used vehicles of virtually all makes and models. We also underwrite ClearGuard on the SmartAuction platform, which is a protection product designed to minimize the risk to dealers from arbitration claims for eligible vehicles sold at auction. Additionally, we underwrite selected commercial insurance coverages, which primarily insure dealers’ wholesale vehicle inventory, and offer additional products to protect a dealer’s business, including property and liability coverage that is underwritten by a third-party carrier with a portion of the insurance risk assumed through a quota share agreement. On a smaller scale, we also periodically assume other insurance risks through quota share arrangements and perform services as an underwriting carrier for an insurance program managed by a third-party where we cede the majority of such business to external reinsurance markets.

Our dealer-centric business model, value-added products and services, full-spectrum financing, and business expertise proven over many credit cycles, make us a premier automotive finance and insurance company ready to support and strengthen our approximately 21,800 active dealer relationships as of March 31, 2024. A dealer is considered to have an active relationship with us if we provided automotive financing, remarketing, or insurance services during the three months ended March 31, 2024.

- Our Mortgage Finance operations consist of the management of held-for-investment and held-for-sale consumer mortgage loan portfolios. Our held-for-investment portfolio includes our direct-to-consumer Ally Home mortgage offering, and bulk purchases of high-quality jumbo and LMI mortgage loans originated by third parties.

Through our direct-to-consumer channel, we offer a variety of competitively priced jumbo and conforming fixed- and adjustable-rate mortgage products through a third party. Under our current arrangement, our direct-to-consumer conforming mortgages are originated as held-for-sale and sold, while jumbo and LMI mortgages are originated as held-for-investment and subserviced by a third party. Loans originated in the direct-to-consumer channel are sourced by existing Ally customer marketing, prospect marketing on third-party websites, and email or direct mail campaigns. In April 2019, we announced a strategic partnership with BMC, which delivers an enhanced end-to-end digital mortgage experience for our customers through our direct-to-consumer channel. Through this partnership, BMC conducts the sales, processing, underwriting, and closing for Ally’s digital mortgage offerings in a highly innovative, scalable, and cost-efficient manner, while Ally retains control of all the marketing and advertising strategies and loan pricing. This partnership with BMC limits operational volatility as the mortgage industry continues to evolve in the current interest rate environment. During the three months ended March 31, 2024, we originated $233 million of mortgage loans through our direct-to-consumer channel.

Through the bulk loan channel, we purchase loans from several qualified sellers, including direct originators and large aggregators who have the financial capacity to support strong representations and warranties, and the industry knowledge and experience to originate high-quality assets. Bulk purchases are made on a servicing-released basis, allowing us to directly oversee servicing activities and manage refinancing through our direct-to-consumer channel. During the three months ended March 31, 2024, we purchased $4 million of mortgage loans that were originated by third parties. Our mortgage loan purchases are held-for-investment.

The combination of our direct-to-consumer strategy and bulk portfolio purchase program provides the capacity to expand revenue sources and further grow and diversify our finance receivable portfolio with an attractive asset class while also deepening relationships with existing Ally customers.

- Our Corporate Finance operations primarily offer senior-secured loans to private equity sponsor-owned U.S.-based middle-market companies and to well-established asset managers that mostly provide leveraged loans. The portfolio is composed of floating-rate leveraged asset-based and cash flow/enterprise value loans. Our Corporate Finance operations had $10.4 billion of assets at March 31, 2024, and generated $134 million of total net revenue during the three months ended March 31, 2024, and continues to offer attractive returns and diversification benefits to our broader lending portfolio. Our Sponsor Finance business focuses on companies owned by private-equity sponsors with loans typically used for leveraged buyouts, refinancing and recapitalizations, mergers and acquisitions, growth, turnarounds, and debtor-in-possession financings. Additionally, our Lender Finance business provides asset managers with facilities to partially fund their direct-lending activities. We also provide a commercial real estate product, currently focused on lending to skilled nursing facilities, senior housing, and medical office buildings.

- Corporate and Other primarily consists of centralized corporate treasury activities such as management of the cash and corporate investment securities and loan portfolios, short- and long-term debt, retail and brokered deposit liabilities, derivative instruments, original issue discount, and the residual impacts of our corporate FTP and treasury ALM activities. Corporate and Other also includes activity related to certain equity investments, which primarily consist of FHLB and FRB stock, as well as other equity investments through Ally Ventures, our strategic investment business. Additionally, Corporate and Other includes the management of our legacy mortgage portfolio, which primarily consists of loans originated prior to January 1, 2009, CRA loans and investments, and reclassifications and eliminations between the reportable operating segments. Costs that are not allocated to our reportable operating segments as part of our COH methodology, which involves management judgment, are also included in Corporate and Other. These costs include marketing sponsorships, treasury and other corporate activities, and charitable contributions.

  Corporate and Other includes the results of Ally Invest, our digital brokerage and advisory offering, which enables us to complement our competitive deposit products with low-cost investing. The digital advisory business aligns with our strategy to create a premier digital financial services company and provides additional sources of fee income through asset management and certain other fees, with minimal balance sheet utilization. This business also provides an additional source of low-cost deposits through arrangements with Ally Invest's clearing broker.

  The sale of Ally Lending closed on March 1, 2024. For further information, refer to Note 2 to the Condensed Consolidated Financial Statements.

  Financial information related to our credit card business, Ally Credit Card, is included within Corporate and Other. Ally Credit Card is our scalable, digital-first credit card platform and features leading-edge technology, and a proprietary, analytics-based underwriting model. We believe Ally Credit Card enhances our ability to grow and deepen both new and existing customer relationships. As of March 31, 2024, our credit card business had $2.0 billion of finance receivables and loans and approximately 1.2 million customers.

  Corporate and Other includes our CRA loans. On October 24, 2023, the U.S. banking agencies issued a final rule to modernize their regulations related to the CRA. The final rule amends their CRA regulations by introducing new tests to evaluate the CRA performance of banks, which most significantly impacts banks with over $2 billion in assets and imposes additional requirements on banks with over $10 billion in assets. Major changes to the CRA regulations include modifications related to the delineation of assessment areas, the overall evaluation framework including performance standards and metrics, the definition of community development activities, and data collection and reporting. Most provisions of the final rule will become effective on January 1, 2026, and the data reporting requirements will become effective on January 1, 2027. While we are still evaluating the final rule, it could impact Ally including our CRA program, business strategies, allocation of resources, and technology requirements.

Consolidated Results of Operations

The following table summarizes our consolidated operating results for the periods shown. Refer to the reportable operating segment sections of the MD&A that follows for a more complete discussion of operating results by business line.

($ in millions)	Three months ended March 31, 2024	2023	Favorable/(unfavorable) % change
Net financing revenue and other interest income			
Total financing revenue and other interest income	**$ 3,582**	$ 3,286	**9**
Total interest expense	**1,922**	1,458	**(32)**
Net depreciation expense on operating lease assets	**204**	226	**10**
Net financing revenue and other interest income	**1,456**	1,602	**(9)**
Other revenue			
Insurance premiums and service revenue earned	**345**	306	**13**
Gain on mortgage and automotive loans, net	**6**	4	**50**
Other gain on investments, net	**29**	74	**(61)**
Other income, net of losses	**150**	114	**32**
Total other revenue	**530**	498	**6**
Total net revenue	**1,986**	2,100	**(5)**
Provision for credit losses	**507**	446	**(14)**
Noninterest expense			
Compensation and benefits expense	**519**	537	**3**
Insurance losses and loss adjustment expenses	**112**	88	**(27)**
Other operating expenses	**677**	641	**(6)**
Total noninterest expense	**1,308**	1,266	**(3)**
Income from continuing operations before income tax expense	**171**	388	**(56)**
Income tax expense from continuing operations	**14**	68	**79**
Net income from continuing operations	**$ 157**	$ 320	**(51)**
Financial ratios:			
Return on average assets (a)	**0.32 %**	0.67 %	**n/m**
Return on average equity (a)	**4.61 %**	9.60 %	**n/m**
Equity to assets (a)	**7.01 %**	7.01 %	**n/m**
Common dividend payout ratio (b)	**71.43 %**	31.25 %	**n/m**

n/m = not meaningful
(a) The ratios were based on average assets and average total equity using an average daily balance methodology.
(b) The common dividend payout ratio was calculated using basic earnings per common share.

We earned net income from continuing operations of $157 million for the three months ended March 31, 2024, compared to $320 million for the three months ended March 31, 2023. During the three months ended March 31, 2024, results were favorably impacted by higher total financing revenue and other interest income, a decrease in income tax expense from continuing operations, and an increase in insurance premiums and service revenue earned. These items were more than offset by higher interest expense, provision for credit losses, and noninterest expense for the three months ended March 31, 2024.

Net financing revenue and other interest income decreased $146 million for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Consumer automotive revenue increased as higher portfolio yields resulting from pricing actions taken in response to rising benchmark interest rates contributed to the increase in revenue. The increase was also impacted by higher average consumer assets resulting from growth in the used-vehicle portfolio, primarily through franchised dealers and national retailers. Commercial automotive revenue increased due to higher asset balances resulting from improvements in new vehicle supply. The increase was also impacted by higher yields from higher benchmark interest rates, as our commercial automotive loans are generally variable-rate. Additionally, revenue increased due to the impacts of a higher interest rate environment on the investment securities portfolio and higher interest associated with cash and cash equivalents. The increase was more than offset by higher interest expense for the three months ended March 31, 2024, as compared to the same period in 2023, in response to higher benchmark interest rates, which increased our cost of funds associated with our deposit liabilities.

Insurance premiums and service revenue earned was $345 million for the three months ended March 31, 2024, compared to $306 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily driven by growth of our P&C vehicle inventory insurance program due to higher dealer inventory levels and the addition of a new relationship with Nissan. Additionally, we expect continued growth in our P&C exposure as we recently added a new relationship with Toyota to our vehicle inventory insurance program during the second quarter of 2024. The increase was also driven by higher other premium and service revenue written from non-automotive assumed reinsurance business.

Other gain on investments, net was $29 million for the three months ended March 31, 2024, compared to $74 million for the three months ended March 31, 2023. The decrease for the three months ended March 31, 2024, compared to the same period in 2023, was primarily attributable to the performance of equity securities, consistent with broader stock market performance.

Other income, net of losses increased $36 million for the three months ended March 31, 2024, compared to the same period in 2023. The increase was primarily driven by increased late charges and other administrative fees, as delinquencies have increased amid deterioration in macroeconomic conditions, driven by persistent inflation. While delinquencies within our consumer automotive loan portfolio increased for the three months ended March 31, 2024, as compared to the same period in 2023, we observed a moderation in the pace of change for delinquencies since March 31, 2023, as we continue to make adjustments to our underwriting strategies. Additionally, the increase for the three months ended March 31, 2024, was driven by net downward adjustments related to equity investments without a readily determinable fair value during the three months ended March 31, 2023, that did not reoccur during the same period in 2024, as well as lower losses related to certain equity-method investments during the three months ended March 31, 2024. The increase was partially offset by the sale of Ally Lending, which closed on March 1, 2024.

The provision for credit losses increased $61 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase in provision for credit losses for the three months ended March 31, 2024, was primarily driven by higher net charge-offs in our consumer automotive portfolio, partially offset by the sale of Ally Lending. Refer to the *Risk Management* section of this MD&A for further discussion on our provision for credit losses.

Noninterest expense increased $42 million for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily driven by increased expenses to support the growth of our consumer product suite and expand our digital capabilities and portfolio of products, higher collection and repossession costs, and an increase to our FDIC special assessment estimate. Additionally, insurance losses and loss adjustment expenses increased for the three months ended March 31, 2024, as compared to the same period in 2023, primarily due growth in our P&C business, higher GAP losses driven by increased loss frequency and severity following vehicle value normalization, and growth in the non-automotive assumed reinsurance business.

We recognized total income tax expense from continuing operations of $14 million for the three months ended March 31, 2024, compared to income tax expense of $68 million for the three months ended March 31, 2023. The decrease in income tax expense for the three months ended March 31, 2024, compared to the same period in 2023, was primarily due to the tax effects of a decrease in pretax earnings. Additionally, an income tax benefit for qualified clean vehicle tax credits for purchased plug-in electric vehicles or fuel cell vehicles, along with other tax credits, resulted in a significant variation in the customary relationship between pretax income and income tax expense for the three months ended March 31, 2024.

Dealer Financial Services

Results for Dealer Financial Services are presented by reportable operating segment, which includes our Automotive Finance and Insurance operations.

Automotive Finance

Results of Operations

The following table summarizes the operating results of our Automotive Finance operations. The amounts presented are before the elimination of balances and transactions with our other reportable operating segments.

	Three months ended March 31,		
($ in millions)	**2024**	2023	**Favorable/(unfavorable) % change**
Net financing revenue and other interest income			
Consumer	**$ 1,808**	$ 1,576	**15**
Commercial	**411**	299	**37**
Loans held-for-sale	**1**	3	**(67)**
Operating leases	**356**	402	**(11)**
Total financing revenue and other interest income	**2,576**	2,280	**13**
Interest expense	**1,058**	732	**(45)**
Net depreciation expense on operating lease assets (a)	**204**	226	**10**
Net financing revenue and other interest income	**1,314**	1,322	**(1)**
Other revenue			
Other income, net of losses	**97**	77	**26**
Total other revenue	**97**	77	**26**
Total net revenue	**1,411**	1,399	**1**
Provision for credit losses	**448**	351	**(28)**
Noninterest expense			
Compensation and benefits expense	**178**	181	**2**
Other operating expenses	**463**	425	**(9)**
Total noninterest expense	**641**	606	**(6)**
Income from continuing operations before income tax expense	**$ 322**	$ 442	**(27)**
Total assets	**$ 114,613**	$ 111,960	**2**

(a) Includes net remarketing gains of $46 million and $47 million for the three months ended March 31, 2024, and 2023, respectively.

Our Automotive Finance operations earned income from continuing operations before income tax expense of $322 million for the three months ended March 31, 2024, compared to $442 million for the three months ended March 31, 2023. For the three months ended March 31, 2024, the decrease was primarily due to higher interest expense and higher provision for credit losses, partially offset by higher financing revenue and other interest income.

Consumer automotive loan financing revenue and other interest income increased $232 million for the three months ended March 31, 2024, compared to the same period in 2023. Higher portfolio yields resulting from pricing actions taken in response to rising benchmark interest rates contributed to the increase in revenue. The increase was also impacted by higher average consumer assets resulting from growth in the used-vehicle portfolio, primarily through franchised dealers and national retailers.

Commercial loan financing revenue and other interest income increased $112 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase was primarily due to higher asset balances resulting from improvements in new vehicle supply. The increase was also impacted by higher yields from higher benchmark interest rates, as our commercial automotive loans are generally variable-rate.

Interest expense was $1.1 billion for the three months ended March 31, 2024, compared to $732 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily driven by a higher interest rate environment, resulting in higher funding costs. Additionally, the increase was driven by higher average interest-earning asset balances during the three months ended March 31, 2024.

Total net operating lease revenue decreased $24 million for the three months ended March 31, 2024, compared to the same period in 2023. The decrease in net operating lease revenue was driven by lower asset balances. Refer to the *Operating Lease Residual Risk Management* section of this MD&A for further discussion.

Total other revenue increased $20 million for the three months ended March 31, 2024, compared to the same period in 2023. The increase was primarily due to an increase in servicing fees and late charges. The increase in servicing fees was due to the growth in financial assets transferred to a nonconsolidated SPE for which we retain the ongoing right to service the assets. The increase in late charges was due to higher delinquencies amid deterioration in macroeconomic conditions, driven by persistent inflation. While delinquencies within our consumer automotive loan portfolio increased for the three months ended March 31, 2024, as compared to the same period in 2023, we observed a moderation in the pace of change for delinquencies since March 31, 2023, as we continue to make adjustments to our underwriting strategies. Refer to Note 10 to the Condensed Consolidated Financial Statements for additional information regarding assets sold to nonconsolidated SPEs.

The provision for credit losses increased $97 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase in provision for credit losses was primarily driven by higher net charge-offs in our consumer automotive portfolio during the three months ended March 31, 2024. Refer to the *Risk Management* section of this MD&A for further discussion on our provision for credit losses.

The following table presents the average balance and yield of the loan and operating lease portfolios of our Automotive Financing operations.

Three months ended March 31, *($ in millions)*	**2024** Average balance (a)	**2024** Yield	2023 Average balance (a)	2023 Yield
Finance receivables and loans, net (b)				
Consumer automotive (c)	**$ 84,199**	**8.63 %**	$ 84,148	7.60 %
Commercial				
Wholesale floorplan (d)	**16,833**	**7.72**	12,893	7.14
Other commercial automotive (e)	**6,339**	**5.61**	5,756	5.04
Investment in operating leases, net (f)	**8,955**	**6.85**	10,435	6.84

(a) Average balances are calculated using an average daily balance methodology.
(b) Nonperforming finance receivables and loans are included in the average balances. For information on our accounting policies regarding nonperforming status, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.
(c) Excludes the effects of derivative financial instruments designated as hedges, which is included within Corporate and Other. Including the impact of hedging activities, the yield was 9.06% and 8.48% for the three months ended March 31, 2024, and 2023, respectively.
(d) Excludes the effects of derivative financial instruments designated as hedges, which is included within Corporate and Other. Including the impact of hedging activities, the yield was 7.69% and 7.29% for the three months ended March 31, 2024, and 2023, respectively.
(e) Consists primarily of automotive dealer term loans, including those to finance dealership land and buildings, and dealer fleet financing.
(f) Yield includes net gains on the sale of off-lease vehicles of $46 million and $47 million for the three months ended March 31, 2024, and 2023, respectively. Excluding these gains on sale, the yield was 4.80% and 5.03% for the three months ended March 31, 2024, and 2023, respectively.

During the three months ended March 31, 2024, our portfolio yield for consumer automotive loans, excluding the impact of hedging activities, increased 103 basis points, as compared to the same period in 2023. The increase for the three months ended March 31, 2024, was primarily driven by higher portfolio yields resulting from pricing actions. We continued to opportunistically adjust pricing in response to high benchmark interest rates during the three months ended March 31, 2024. Our portfolio yield for consumer automotive loans, including the effects of derivative financial instruments designated as hedges, was 43 basis points higher than our portfolio yield for consumer automotive loans excluding the effects of derivative financial instruments designated as hedges for the three months ended March 31, 2024. This is attributable to the execution of hedging strategies that are used to mitigate interest rate risks. The effects of derivative financial instruments designated as hedges are included within Corporate and Other. Refer to Note 19 to the Condensed Consolidated Financial Statements for further discussion.

Automotive Financing Volume

Consumer Automotive Financing

The following table presents retail loan originations and purchases by credit tier and product type.

	Used retail			New retail		
Credit Tier (a)	**Volume** *($ in billions)*	**% Share of volume**	**Average FICO®**	**Volume** *($ in billions)*	**% Share of volume**	**Average FICO®**
Three months ended March 31, 2024						
S	**$ 2.5**	**38**	**756**	**$ 1.2**	**49**	**752**
A	**2.8**	**42**	**689**	**1.0**	**42**	**688**
B	**1.0**	**15**	**642**	**0.2**	**9**	**653**
C	**0.2**	**3**	**597**	**—**	**—**	**619**
D	**0.1**	**2**	**560**	**—**	**—**	**593**
Total retail loan originations	**$ 6.6**	**100**	**702**	**$ 2.4**	**100**	**712**
Three months ended March 31, 2023						
S	$ 1.6	26	747	$ 1.0	37	748
A	2.7	44	687	1.3	48	686
B	1.3	21	648	0.4	15	655
C	0.4	7	611	—	—	628
D	0.1	2	569	—	—	580
Total retail loan originations	$ 6.1	100	687	$ 2.7	100	700

(a) Represents Ally's internal credit score, incorporating numerous borrower and structure attributes including: severity and aging of delinquency; number of credit inquiries; LTV ratio; term; payment-to-income ratio; and debt-to-income ratio. We periodically update our underwriting scorecard, which can have an impact on our credit tier scoring.

The following table presents the percentage of total retail loan originations and purchases, in dollars, by the loan term in months.

	Three months ended March 31,	
	2024	2023
0–71	**14 %**	15 %
72–75	**64**	65
76 +	**22**	20
Total retail loan originations	**100 %**	100 %

Retail loan originations with a term of 76 months or more represented 22% of total retail loan originations for the three months ended March 31, 2024, compared to 20% for the three months ended March 31, 2023. Substantially all the loans originated with a term of 76 months or more during both the three months ended March 31, 2024, and 2023, were considered to be prime and in credit tiers S, A, or B. Our underwriting processes are designed to consider various deal structure variables—such as payment-to-income, LTV, debt-to-income, and FICO® score—that compensate for longer loan terms and mitigate underwriting risk.

During the three months ended March 31, 2024, approximately 80% of our used retail loan originations were for vehicles with a model year of 2018 or newer. According to the Bureau of Transportation Statistics, the average age of light vehicles in operation in the United States during 2023 was approximately 13 years. Substantially all used retail loan originations with a term of 76 months or more during the three months ended March 31, 2024, were for vehicles with a model year of 2018 or newer.

The following table presents the percentage of total outstanding retail loans by origination year.

March 31,	2024	2023
Pre-2020	**5 %**	12 %
2020	**7**	12
2021	**16**	25
2022	**27**	41
2023	**34**	10
2024	**11**	—
Total retail	**100 %**	100 %

The following tables present the total retail loan and operating lease origination and purchase dollars and percentage mix by product type and by channel.

	Consumer automotive financing originations		% Share of Ally originations	
Three months ended March 31, *($ in millions)*	**2024**	2023	**2024**	2023
Used retail	**$ 6,584**	$ 6,085	**67**	64
New retail	**2,439**	2,669	**25**	28
Lease	**733**	767	**8**	8
Total consumer automotive financing originations (a)	**$ 9,756**	$ 9,521	**100**	100

(a) Includes CSG originations of $1.1 billion and $1.3 billion for the three months ended March 31, 2024, and 2023, respectively.

	Consumer automotive financing originations		% Share of Ally originations	
Three months ended March 31, *($ in millions)*	**2024**	2023	**2024**	2023
GM dealers	**$ 2,212**	$ 2,121	**23**	22
Stellantis dealers	**1,625**	2,058	**17**	22
Other dealers and automotive retailers				
OEM-franchised dealers (a)	**3,536**	3,234	**36**	34
Non-OEM-franchised dealers and automotive retailers	**2,383**	2,108	**24**	22
Total other dealers and automotive retailers	**5,919**	5,342	**60**	56
Total consumer automotive financing originations	**$ 9,756**	$ 9,521	**100**	100

(a) Includes automotive manufacturers with a direct-to-consumer model.

Total consumer automotive loan and operating lease originations increased $235 million for the three months ended March 31, 2024, compared to the same period in 2023. The increase was primarily driven by our dynamic underwriting strategies, including strategic pricing actions to optimize our risk appetite and returns. The decrease in originations sourced from Stellantis dealers was more than offset by increased originations with other dealers and automotive retailers during the three months ended March 31, 2024.

We have included origination metrics by loan term and FICO® Score within this MD&A. In addition, we employ our own risk evaluation, including proprietary risk models, in evaluating credit risk, as described in the section titled *Automotive Financing Volume—Acquisition and Underwriting* within the MD&A in our 2023 Annual Report on Form 10-K.

The following table presents the percentage of retail loan and operating lease originations and purchases, in dollars, by FICO® Score and product type. We define prime consumer automotive loans primarily as those loans with a FICO® Score at origination of 620 or greater.

	Used retail		New retail		Lease	
Three months ended March 31,	**2024**	2023	**2024**	2023	**2024**	2023
760 +	**23 %**	16 %	**21 %**	15 %	**53 %**	48 %
720–759	**14**	13	**13**	12	**16**	17
660–719	**30**	30	**29**	30	**20**	21
620–659	**18**	23	**17**	21	**7**	9
540–619	**9**	11	**3**	4	**2**	2
< 540	**2**	2	**—**	—	**—**	—
Unscored (a)	**4**	5	**17**	18	**2**	3
Total consumer automotive financing originations	**100 %**	100 %	**100 %**	100 %	**100 %**	100 %

(a) Unscored are primarily CSG contracts with business entities that have no FICO® Score.

Originations with a FICO® Score of less than 620 (considered nonprime) represented 9% of total consumer loan and operating lease originations for the three months ended March 31, 2024, compared to 10% for the three months ended March 31, 2023. Consumer loans and operating leases with FICO® Scores of less than 540 represented 2% of total originations for the three months ended March 31, 2024, as compared to 1% of total originations for the same period in 2023. Nonprime applications are subject to more stringent underwriting criteria (for example, minimum payment-to-income ratio, maximum debt-to-income ratio, and maximum amount financed), and our nonprime loan portfolio generally does not include any loans with a term of 76 months or more. The carrying value of our held-for-investment, nonprime consumer automotive loans before allowance for loan losses was $8.5 billion and $8.7 billion at March 31, 2024, and December 31, 2023, respectively, or approximately 10.2% and 10.3% of our total consumer automotive loans at March 31, 2024, and December 31, 2023. For discussion of our credit-risk-management practices and performance, refer to the section titled *Risk Management*.

During the first quarter of 2024, we amended our relationship with Carvana, a leading e-commerce platform for buying and selling used vehicles. Specifically, we maintained our committed facility at a maximum of $4.0 billion to support our continued efforts to optimize risk-adjusted returns. This commitment is effective for 364 days. As part of the agreement, we continue to purchase finance receivables on a periodic basis within prescribed eligibility requirements and risk appetite, consistent with purchase practices in prior years. All the finance receivables purchased through this channel are used vehicles, and are included in non-OEM-franchised dealers and automotive retailers in our consumer origination metrics. While different vintages exhibit varying performance, collectively to date, finance receivables purchased from Carvana have exhibited consistent delinquency and loss performance compared to loans with similar credit characteristics acquired through our indirect dealer channel. Consumer finance receivables and loans sourced from Carvana represented 8.6% and 8.2% of our total consumer automotive finance receivables and loans as of March 31, 2024 and December 31, 2023, respectively. Loan purchases from Carvana were 9% and 7% of our total consumer automotive financing originations during the three months ended March 31, 2024, and 2023, respectively.

For discussion of manufacturer marketing incentives, refer to the section titled *Automotive Financing Volume—Manufacturer Marketing Incentives* within the MD&A in our 2023 Annual Report on Form 10-K.

Commercial Wholesale Financing Volume

The following table presents the percentage of average balance of our commercial wholesale floorplan finance receivables, in dollars, by product type and by channel.

	Average balance	
Three months ended March 31, *($ in millions)*	**2024**	2023
Stellantis new vehicles	**43 %**	38 %
GM new vehicles	**21**	22
Used vehicles	**18**	27
Other new vehicles	**18**	13
Total	**100 %**	100 %
Total commercial wholesale finance receivables	**$ 16,833**	$ 12,893

Average commercial wholesale financing receivables outstanding increased $3.9 billion during the three months ended March 31, 2024, as compared to the same period in 2023. The increase for the three months ended March 31, 2024, as compared to the same period in 2023, was primarily due to increased industry-wide new vehicle inventory levels, partially offset by reduced used vehicle inventory levels.

Carvana's commercial line of credit totals $1.5 billion, with a scheduled maturity in the third quarter of 2025. The line of credit represents a commitment to fund Carvana’s wholesale floorplan financing of used vehicles and is consistent in form and structure with our other wholesale floorplan financing arrangements. This includes the line of credit being fully collateralized to mitigate counterparty credit risk in the event of a default. At March 31, 2024, Carvana’s gross wholesale floorplan assets outstanding balance was $104 million.

Other Commercial Automotive Financing

We also provide other forms of commercial financing for the automotive industry including automotive dealer term and revolving loans and automotive fleet financing. Automotive dealer term and revolving loans are loans that we make to dealers to finance other aspects of the dealership business, including acquisitions. These loans are usually secured by real estate or other dealership assets and are typically personally guaranteed by the individual owners of the dealership. Additionally, these loans generally include cross-collateral and cross-default provisions. Automotive fleet financing credit lines may be obtained by dealers, their affiliates, and other independent companies that are used to purchase vehicles, which they lease or rent to others. The average balances of other commercial automotive loans increased $583 million for the three months ended March 31, 2024, compared to the same period in 2023, to an average of $6.3 billion for the three months ended March 31, 2024.

Insurance

Results of Operations

The following table summarizes the operating results of our Insurance operations. The amounts presented are before the elimination of balances and transactions with our other reportable segments.

($ in millions)	Three months ended March 31, 2024	2023	Favorable/(unfavorable) % change
Insurance premiums and other income			
Insurance premiums and service revenue earned	**$ 345**	$ 306	**13**
Interest and dividends on investment securities, cash and cash equivalents, and other earning assets, net (a)	**29**	26	**12**
Other gain on investments, net (b)	**35**	72	**(51)**
Other income	**4**	3	**33**
Total insurance premiums and other income	**413**	407	**1**
Expense			
Insurance losses and loss adjustment expenses	**112**	88	**(27)**
Acquisition and underwriting expense			
Compensation and benefits expense	**28**	28	**—**
Insurance commissions expense	**161**	157	**(3)**
Other expenses	**42**	42	**—**
Total acquisition and underwriting expense	**231**	227	**(2)**
Total expense	**343**	315	**(9)**
Income from continuing operations before income tax expense	**$ 70**	$ 92	**(24)**
Total assets	**$ 9,100**	$ 8,867	**3**
Insurance premiums and service revenue written	**$ 354**	$ 307	**15**
Combined ratio (c)	**98.6 %**	102.0 %	

(a) Includes interest expense of $10 million and $8 million for the three months ended March 31, 2024, and 2023, respectively.
(b) Includes net unrealized gains on equity securities of $17 million and $65 million for the three months ended March 31, 2024, and 2023, respectively.
(c) Management uses a combined ratio as a primary measure of underwriting profitability. Underwriting profitability is indicated by a combined ratio under 100% and is calculated as the sum of all incurred losses and expenses (excluding interest and income tax expense) divided by the total of premiums and service revenue earned and other income (excluding interest, dividends, and other investment activity).

Our Insurance operations earned income from continuing operations before income tax expense of $70 million for the three months ended March 31, 2024, compared to $92 million for the three months ended March 31, 2023. The decrease for the three months ended March 31, 2024, was primarily driven by a lower net gain on investments, an increase in insurance losses and loss adjustment expenses, and an increase in acquisition and underwriting expense, which were partially offset by an increase in insurance premiums and service revenue earned.

Insurance premiums and service revenue earned was $345 million for the three months ended March 31, 2024, compared to $306 million for the same period in 2023. The increase for the three months ended March 31, 2024, was primarily driven by growth of our P&C vehicle inventory insurance program due to higher dealer inventory levels and the addition of a new relationship with Nissan. Additionally, we expect continued growth in our P&C exposure as we recently added a new relationship with Toyota to our vehicle inventory insurance program during the second quarter of 2024. The increase was also driven by higher other premium and service revenue written from non-automotive assumed reinsurance business.

Other gain on investments, net was $35 million for the three months ended March 31, 2024, compared to $72 million for the same period in 2023. The decrease for the three months ended March 31, 2024, was primarily attributable to lower unrealized gains which were $17 million during the three months ended March 31, 2024, compared to $65 million during the same period in 2023 as a result of broader stock market performance. This was partially offset by realized capital gains of $18 million during the three months ended March 31, 2024, compared to $7 million for the same period in 2023.

Insurance losses and loss adjustment expenses totaled $112 million for the three months ended March 31, 2024, compared to $88 million for the same period in 2023. Loss and loss adjustment expenses for the three months ended March 31, 2024, increased primarily due to growth in our P&C business, higher GAP losses driven by increased loss frequency and severity following vehicle value normalization, and growth in non-automotive assumed reinsurance business. During the three months ended March 31, 2024, weather-related loss and loss adjustment expenses from our vehicle inventory insurance program was $17 million, compared to $14 million during the same period in 2023.

We utilized our excess of loss reinsurance and ceded weather-related losses on our vehicle inventory insurance program for the first quarter of 2024 as losses exceeded the retention limit, helping to mitigate the impact of weather losses for the quarter. In April 2024, we renewed our annual excess of loss reinsurance agreement and continue to utilize this coverage for our vehicle inventory insurance to manage our risk of weather-related losses under which retention limits vary for each quarter.

Acquisition and underwriting expense totaled $231 million for the three months ended March 31, 2024, compared to $227 million for the same period in 2023. The increase was driven by higher commission expense as a result of increased volume growth in our business.

Our combined ratio was 98.6% for the three months ended March 31, 2024, compared to 102.0% for the same period in 2023. The decrease was primarily driven by a lower loss ratio in our vehicle inventory insurance business as premium growth outpaced claims and our acquisition and underwriting expenses remained contained to a 2% increase during the three months ended March 31, 2024, as compared to the same period in 2023. This was partially offset by higher GAP losses that outpaced premium growth driven by higher loss frequency and severity.

Premium and Service Revenue Written

The following table summarizes premium and service revenue written by product, net of premiums ceded to reinsurers, and premiums and service revenue assumed from third-parties. VSC and GAP revenue are earned over the life of the service contract on a basis proportionate to the anticipated loss pattern. Refer to Note 3 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for further discussion of this revenue stream.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Finance and insurance products		
Vehicle service contracts	**$ 178**	$ 170
Guaranteed asset protection and other finance and insurance products (a)	**61**	56
Total finance and insurance products	**239**	226
Property and casualty insurance (b)	**97**	75
Other premium and service revenue written (c)	**18**	6
Total	**$ 354**	$ 307

(a) Other financial and insurance products include VMCs, ClearGuard, and other ancillary products.
(b) P&C insurance includes vehicle inventory insurance and dealer ancillary products including property and liability coverage underwritten by a third-party carrier earned on a straight-line basis.
(c) Primarily includes non-automotive assumed reinsurance and revenue associated with performing services as an underwriting carrier.

Insurance premiums and service revenue written was $354 million for the three months ended March 31, 2024, compared to $307 million for the same period in 2023. The increase was primarily due to higher written premiums from our P&C business from rising dealer inventory levels and growth in vehicle inventory insurance program relationships, increasing our market share. Additionally, the increase was driven by higher written premium for F&I driven by higher volume in Canada and growth in other premium and service revenue written from non-automotive assumed reinsurance business.

Cash and Investments

A significant aspect of our Insurance operations is the investment of proceeds from premiums and other revenue sources. We use these investments to satisfy our obligations related to future claims at the time these claims are settled. Our Insurance operations have an Investment Committee, which develops guidelines and strategies for these investments. The guidelines established by this committee reflect our risk appetite, liquidity requirements, regulatory requirements, and rating agency considerations, among other factors.

The following table summarizes the composition of our Insurance operations cash and investment portfolio at fair value.

($ in millions)	March 31, 2024	December 31, 2023
Cash and cash equivalents		
Noninterest-bearing cash	**$ 107**	$ 74
Interest-bearing cash	**490**	418
Total cash and cash equivalents	**597**	492
Equity securities	**773**	788
Available-for-sale securities		
Debt securities		
U.S. Treasury and federal agencies	**485**	494
U.S. States and political subdivisions	**379**	390
Foreign government	**182**	183
Agency mortgage-backed residential	**920**	961
Mortgage-backed residential	**219**	225
Corporate debt	**1,730**	1,800
Total available-for-sale securities (amortized cost of $4,392 and $4,484)	**3,915**	4,053
Total cash, cash equivalents, and securities	**$ 5,285**	$ 5,333

In addition to these cash and investment securities, the Insurance segment has interest-bearing intercompany arrangements with Corporate and Other, callable on demand. The intercompany loan balance due to Insurance was $719 million and $619 million at March 31, 2024, and December 31, 2023, respectively, and related interest income of $3 million and $2 million was recognized for the three months ended March 31, 2024, and 2023.

Mortgage Finance

Results of Operations

The following table summarizes the activities of our Mortgage Finance operations. The amounts presented are before the elimination of balances and transactions with our reportable segments.

	Three months ended March 31,		
($ in millions)	**2024**	2023	**Favorable/(unfavorable) % change**
Net financing revenue and other interest income			
Total financing revenue and other interest income	**$ 146**	$ 153	**(5)**
Interest expense	**94**	99	**5**
Net financing revenue and other interest income	**52**	54	**(4)**
Gain on mortgage loans, net	**6**	4	**50**
Total net revenue	**58**	58	**—**
Provision for credit losses	**—**	(1)	**(100)**
Noninterest expense			
Compensation and benefits expense	**5**	6	**17**
Other operating expenses	**28**	32	**13**
Total noninterest expense	**33**	38	**13**
Income from continuing operations before income tax expense	**$ 25**	21	**19**
Total assets	**$ 18,303**	$ 19,290	**(5)**

Our Mortgage Finance operations earned income from continuing operations before income tax expense of $25 million for the three months ended March 31, 2024, compared to $21 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily driven by lower noninterest expense and an increase in gain on mortgage loans, net, partially offset by lower net financing revenue and other interest income.

Net financing revenue and other interest income was $52 million for the three months ended March 31, 2024, compared to $54 million for the three months ended March 31, 2023. The decrease in net financing revenue and other interest income for the three months ended March 31, 2024, was primarily driven by a decrease in outstanding loan balances. Premium amortization was $1 million for both the three months ended March 31, 2024, and 2023. During the three months ended March 31, 2024, we purchased $4 million of mortgage loans that were originated by third parties, compared to $2 million during the three months ended March 31, 2023. We originated $35 million of mortgage loans held-for-investment during the three months ended March 31, 2024, compared to $20 million during the three months ended March 31, 2023.

Gain on sale of mortgage loans, net, was $6 million for the three months ended March 31, 2024, compared to $4 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was attributable to higher volume of direct-to-consumer mortgage originations and the subsequent sale of these loans to BMC. We originated $198 million of loans held-for-sale during the three months ended March 31, 2024, compared to $177 million during the three months ended March 31, 2023.

Total noninterest expense was $33 million for the three months ended March 31, 2024, compared to $38 million for the three months ended March 31, 2023. The decrease for the three months ended March 31, 2024, was primarily driven by lower operating expenses due to the benefits of the variable cost direct-to-consumer partnership model.

The following table presents the total UPB of purchases and originations of consumer mortgages held-for-investment, by FICO® Score at the time of acquisition.

FICO® Score	Volume *($ in millions)*	% Share of volume
Three months ended March 31, 2024		
740 +	**$ 37**	**95**
700–719	**2**	**5**
Total consumer mortgage financing volume	**$ 39**	**100**
Three months ended March 31, 2023		
740 +	$ 21	95
720–739	1	5
Total consumer mortgage financing volume	$ 22	100

During the three months ended March 31, 2024, we purchased and originated more consumer mortgage held-for-investment loans, as compared to the same period in 2023.

The following table presents the net UPB, net UPB as a percentage of total, WAC, premium net of discounts, LTV, and FICO® Scores for the products in our Mortgage Finance held-for-investment loan portfolio.

Product	Net UPB (a) *($ in millions)*	% of total net UPB	WAC	Net premium (discount) *($ in millions)*	Average refreshed LTV (b)	Average refreshed FICO® (c)
March 31, 2024						
Adjustable-rate	**$ 421**	**2**	**3.86 %**	**$ 1**	**51.62 %**	**771**
Fixed-rate	**17,812**	**98**	**3.19**	**(7)**	**50.68**	**781**
Total	**$ 18,233**	**100**	**3.21**	**$ (6)**	**50.70**	**781**
December 31, 2023						
Adjustable-rate	$ 419	2	3.77 %	$ 1	52.95 %	775
Fixed-rate	18,028	98	3.19	(6)	52.22	782
Total	$ 18,447	100	3.20	$ (5)	52.24	782

(a) Represents UPB, net of charge-offs.
(b) Updated home values were derived using a combination of appraisals, broker price opinions, automated valuation models, and metropolitan statistical area level house price indices.
(c) Updated to reflect changes in credit score since loan origination.

Corporate Finance

Results of Operations

The following table summarizes the activities of our Corporate Finance operations. The amounts presented are before the elimination of balances and transactions with our reportable segments.

($ in millions)	Three months ended March 31, 2024	2023	Favorable/(unfavorable) % change
Net financing revenue and other interest income			
Interest and fees on finance receivables and loans	**$ 264**	$ 226	**17**
Interest on loans held-for-sale	**5**	8	**(38)**
Interest expense	**158**	131	**(21)**
Net financing revenue and other interest income	**111**	103	**8**
Total other revenue	**23**	29	**(21)**
Total net revenue	**134**	132	**2**
Provision for credit losses	**(1)**	15	**107**
Noninterest expense			
Compensation and benefits expense	**27**	28	**4**
Other operating expenses	**18**	17	**(6)**
Total noninterest expense	**45**	45	**—**
Income from continuing operations before income tax expense	**$ 90**	$ 72	**25**
Total assets	**$ 10,410**	$ 10,226	**2**

Our Corporate Finance operations earned income from continuing operations before income tax expense of $90 million for the three months ended March 31, 2024, compared to $72 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily due to higher net financing revenue and other interest income and lower provision expense, partially offset by lower total other revenue, as compared to the three months ended March 31, 2023.

Net financing revenue and other interest income was $111 million for the three months ended March 31, 2024, compared to $103 million for the three months ended March 31, 2023. The increase for the three months ended March 31, 2024, was primarily due to higher average assets, as well as higher interest income resulting from higher rates as all loans in the portfolio are variable rate. This was partially offset by an increase in interest expense as benchmark interest rates continued to rise throughout 2023.

Other revenue decreased $6 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The decrease was primarily due to lower syndication income for the three months ended March 31, 2024, as compared to the same period in 2023.

The provision for credit losses decreased $16 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The decrease was primarily driven by lower specific reserve activity during the three months ended March 31, 2024. Refer to the *Risk Management* section of this MD&A for further discussion on our provision for credit losses.

Credit Portfolio

The following table presents loans held-for-sale, the amortized cost of finance receivables and loans outstanding, unfunded lending commitments, and total serviced loans of our Corporate Finance operations. As of March 31, 2024, 65% of our loans and 61% of our lending commitments were asset based, with 99.9% in a first-lien position. Additionally, total criticized exposures were 12.7% and 10.6% of total Corporate Finance finance receivables and loans at March 31, 2024, and December 31, 2023, respectively.

($ in millions)	**March 31, 2024**	December 31, 2023
Loans held-for-sale, net	**$ 213**	$ 253
Finance receivables and loans (a)	**$ 10,144**	$ 10,905
Unfunded lending commitments (b)	**$ 8,607**	$ 8,256
Total serviced loans	**$ 14,534**	$ 15,367

(a) Includes $8.7 billion and $9.6 billion of commercial and industrial loans at March 31, 2024, and December 31, 2023, respectively, and $1.4 billion and $1.3 billion of commercial real estate loans at March 31, 2024, and December 31, 2023. Our commercial real estate loans are currently focused on lending to skilled nursing facilities, senior housing, and medical office buildings. There are no exposures related to commercial office buildings.

(b) Includes unused revolving credit line commitments for loans held-for-sale and finance receivables and loans, signed commitment letters, and standby letter of credit facilities, which are issued on behalf of clients and may contingently require us to make payments to a third-party beneficiary in the event of a draw by the beneficiary thereunder. As many of these commitments are subject to borrowing base agreements and other restrictive covenants or may expire without being fully drawn, the stated amounts of these unfunded commitments are not necessarily indicative of future cash requirements.

The following table presents the percentage of total finance receivables and loans of our Corporate Finance operations by industry concentration. The finance receivables and loans are reported at amortized cost.

	March 31, 2024	December 31, 2023
Industry		
Financial services	**45.3 %**	46.6 %
Services	**14.1**	14.1
Health services	**13.4**	12.8
Machinery, equipment, and electronics	**7.3**	7.0
Chemicals and metals	**6.6**	6.7
Automotive and transportation	**5.8**	6.4
Other manufactured products	**2.0**	1.0
Wholesale	**1.6**	1.9
Retail trade	**1.4**	1.3
Construction	**1.4**	1.3
Other	**1.1**	0.9
Total finance receivables and loans	**100.0 %**	100.0 %

Corporate and Other

The following table summarizes the activities of Corporate and Other, which primarily consist of centralized corporate treasury activities such as management of the cash and corporate investment securities and loan portfolios, short- and long-term debt, retail and brokered deposit liabilities, derivative instruments, original issue discount, and the residual impacts of our corporate FTP and treasury ALM activities. Corporate and Other also includes certain equity investments, which primarily consist of FHLB and FRB stock as well as other strategic investments through Ally Ventures, the management of our legacy mortgage portfolio, which primarily consists of loans originated prior to January 1, 2009, the activity related to Ally Invest, Ally Lending, Ally Credit Card, CRA loans and investments, and reclassifications and eliminations between the reportable operating segments. Additionally, Corporate and Other includes costs that are not allocated to our reportable operating segments as part of our COH methodology, which involves management judgment. Refer to Note 23 to the Condensed Consolidated Financial Statements for more information.

	Three months ended March 31,		
($ in millions)	**2024**	2023	**Favorable/(unfavorable) % change**
Net financing revenue and other interest income			
Interest and fees on finance receivables and loans (a)	**$ 195**	$ 319	**(39)**
Interest on loans held-for-sale	**30**	4	**n/m**
Interest and dividends on investment securities and other earning assets (b)	**235**	209	**12**
Interest on cash and cash equivalents	**92**	53	**74**
Total financing revenue and other interest income	**552**	585	**(6)**
Interest expense			
Original issue discount amortization (c)	**17**	15	**(13)**
Other interest expense (d)	**585**	473	**(24)**
Total interest expense	**602**	488	**(23)**
Net financing revenue and other interest income	**(50)**	97	**(152)**
Other revenue			
Other (loss) gain on investments, net	**(6)**	3	**n/m**
Other income, net of losses	**26**	4	**n/m**
Total other revenue	**20**	7	**186**
Total net revenue	**(30)**	104	**(129)**
Provision for credit losses	**60**	81	**26**
Total noninterest expense (e)	**246**	262	**6**
Loss from continuing operations before income tax expense	**$ (336)**	$ (239)	**(41)**
Total assets	**$ 40,451**	$ 45,822	**(12)**

n/m = not meaningful
(a) Includes impacts associated with hedging activities within our automotive loan portfolio, consumer other lending activity, and financing revenue from our legacy mortgage portfolio.
(b) Includes impacts associated with hedging activities of our available-for-sale securities.
(c) Amortization is included as interest on long-term debt in the Condensed Consolidated Statement of Comprehensive (Loss) Income.
(d) Includes the residual impacts of our FTP methodology and impacts of hedging activities of certain debt obligations.
(e) Includes reductions of $346 million and $334 million for the three months ended March 31, 2024, and 2023, respectively, related to the allocation of COH expenses to other segments. The receiving segments record their allocation of COH expense within other operating expense.

The following table presents the scheduled remaining amortization of the original issue discount at March 31, 2024.

Year ended December 31, *($ in millions)*	2024	2025	2026	2027	2028	2029 and thereafter (a)	Total
Original issue discount							
Outstanding balance at year end	$ 762	$ 688	$ 606	$ 512	$ 405	$ —	
Total amortization (b)	52	74	82	94	107	405	$ 814

(a) The maximum annual scheduled amortization for any individual year is $143 million in 2030.
(b) The amortization is included as interest on long-term debt in the Condensed Consolidated Statement of Comprehensive (Loss) Income.

Corporate and Other incurred a loss from continuing operations before income tax expense of $336 million for the three months ended March 31, 2024, compared to $239 million for the three months ended March 31, 2023. The increase in loss for the three months ended March 31, 2024, was primarily driven by an increase in interest expense due to a higher interest rate environment.

Total financing revenue and other interest income was $552 million for the three months ended March 31, 2024, compared to $585 million for the three months ended March 31, 2023. The decrease for the three months ended March 31, 2024, was primarily driven by lower income from our hedging activities as compared to the same period in 2023, and the sale of Ally Lending. The decrease was partially offset by higher interest income on our investment securities portfolio and cash and cash equivalents as a result of the higher interest rate environment, as well as growth within Ally Credit Card.

Total interest expense increased $114 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. Interest expense in our Corporate and Other segment includes our external borrowing costs less the amount charged to our operating segments, which is based on our FTP methodology. The increase in interest expense for the three months ended March 31, 2024, was primarily driven by higher deposit costs, reflecting a higher overall interest rate environment.

Total other revenue increased $13 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase was primarily driven by net downward adjustments related to equity investments without a readily determinable fair value during the three months ended March 31, 2023, that did not reoccur during the same period in 2024, as well as lower losses related to certain equity-method investments during the three months ended March 31, 2024. The increase was partially offset by the sale of Ally Lending, which was closed on March 1, 2024.

The provision for credit losses decreased $21 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. For the three months ended March 31, 2024, the decrease in provision for credit losses was primarily driven by the sale of Ally Lending and lower portfolio loan growth as compared to the same period in 2023 for Ally Credit Card, partially offset by higher net charge-offs within Ally Credit Card. Refer to the *Risk Management* section of this MD&A for further discussion on our provision for credit losses.

Noninterest expense decreased $16 million for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The decrease was primarily driven by lower compensation and benefits expense.

Total assets were $40.5 billion as of March 31, 2024, compared to $45.8 billion as of March 31, 2023. This decrease was primarily driven by the sale of Ally Lending and by a decrease in our cash and cash equivalents balance within our investment portfolios. Additionally, as of March 31, 2024, the amortized cost of the legacy mortgage portfolio was $214 million, compared to $272 million at March 31, 2023.

Cash and Securities

The following table summarizes the composition of the cash and securities portfolio at fair value for Corporate and Other.

($ in millions)	March 31, 2024	December 31, 2023
Cash and cash equivalents		
Noninterest-bearing cash	$ 482	$ 564
Interest-bearing cash	7,074	5,889
Total cash and cash equivalents	7,556	6,453
Equity securities	10	16
Available-for-sale securities		
Debt securities		
U.S. Treasury and federal agencies	1,572	1,581
U.S. States and political subdivisions	264	268
Agency mortgage-backed residential	13,832	14,423
Agency mortgage-backed commercial	3,800	3,758
Asset-backed	301	332
Total available-for-sale securities (amortized cost of $23,722 and $23,932)	19,769	20,362
Held-to-maturity securities		
Debt securities		
Agency mortgage-backed residential	790	826
Mortgage-backed residential	3,715	3,824
Asset-backed retained notes	128	79
Total held-to-maturity securities (amortized cost of $4,655 and $4,680)	4,633	4,729
Total cash, cash equivalents, and securities	$ 31,968	$ 31,560

Other Investments

The following table summarizes other investments at carrying value for Corporate and Other. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for further information on these investments.

($ in millions)	March 31, 2024	December 31, 2023
Other assets		
Proportional amortization investments (a)	$ 1,877	$ 1,866
Nonmarketable equity investments	687	828
Equity-method investments (a) (b)	582	602
Total other investments	$ 3,146	$ 3,296

(a) Proportional amortization investments includes qualifying LIHTC, NMTC, and HTC investments as of March 31, 2024. Prior to the adoption of ASU 2023-02 on January 1, 2024, NMTC and HTC investments were included in equity-method investments. Refer to Note 1 to the Condensed Consolidated Financial Statements for additional information.

(b) Primarily comprises 58 and 62 investments made in connection with our CRA program at March 31, 2024, and December 31, 2023, respectively. The carrying value of these investments was $575 million and $595 million at March 31, 2024, and December 31, 2023, respectively.

Nonmarketable equity investments and equity-method investments include strategic investments made through Ally Ventures. Ally Ventures identifies, invests in, and builds relationships with key startups. At both March 31, 2024, and December 31, 2023, the carrying value of investments made through Ally Ventures was $49 million, comprising 18 investments. Refer to Note 11 to the Condensed Consolidated Financial Statements for additional information.

Ally Invest

Ally Invest is our digital brokerage and advisory offering, which enables us to complement our competitive deposit products with low-cost and commission-free investing. The following table presents trading days and average customer trades per day, the number of funded accounts, total net customer assets, and total customer cash balances as of the end of each of the last five quarters.

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Trading days (a)	**61.0**	62.5	62.5	62.0	62.0
Average customer trades per day, *(in thousands)*	**30.0**	23.4	24.9	26.2	29.1
Funded accounts (b) *(in thousands)*	**526**	523	524	521	523
Total net customer assets (b) *($ in millions)*	**$ 16,020**	$ 15,164	$ 13,981	$ 14,945	$ 14,060
Total customer cash balances (b) *($ in millions)*	**$ 1,395**	$ 1,454	$ 1,363	$ 1,578	$ 1,622

(a) Represents the number of days the New York Stock Exchange and other U.S. stock exchange markets are open for trading. A half day represents a day when the U.S. markets close early.
(b) Represents activity across the brokerage, robo and advisory portfolios.

During the three months ended March 31, 2024, total funded accounts increased 1% from both the prior quarter and the first quarter of 2023. Average customer trades per day increased 28% from the prior quarter and increased 3% from the first quarter of 2023, driven by continued higher customer engagement. Additionally, net customer assets increased 6% from the prior quarter and increased 14% from the first quarter of 2023, as a result of changes in equity market valuations and total accounts.

Ally Lending

The sale of Ally Lending was closed on March 1, 2024. For further information, refer to Note 2 to the Condensed Consolidated Financial Statements.

Ally Credit Card

Ally Credit Card is our scalable, digital-first credit card platform that features leading-edge technology, and proprietary, analytics-based underwriting and portfolio-management models. The following table presents total active cardholders and finance receivables and loans.

	March 31, 2024	December 31, 2023
Total active cardholders *(in thousands)*	**1,222**	1,222
Finance receivables and loans *($ in millions)*	**$ 1,962**	$ 1,990

Risk Management

Managing the risk/reward trade-off is a fundamental component of operating our businesses, and all employees are responsible for managing risk. We use multiple layers of defense to identify, monitor, and manage current and emerging risks.

- ***Business lines*** — Responsible for owning and managing all the risks that emanate from their risk-taking activities, including business units and support functions.
- ***Independent risk management*** — Operates independent of the business lines and is responsible for establishing and maintaining our risk-management framework and promulgating it enterprise-wide. Independent risk management also provides an objective, critical assessment of risks and—through oversight, effective challenge, and other means—evaluates whether Ally remains aligned with its risk appetite.
- ***Internal audit*** — Provides its own independent assessments regarding the quality of our loan portfolios as well as the effectiveness of our risk management, internal controls, and governance. Internal audit includes Audit Services and the Loan Review Group.

Our risk-management framework is overseen by the RC. The RC sets the risk appetite across our company while risk-oriented management committees, the executive leadership team, and our associates identify and monitor current and emerging risks and manage those risks within our risk appetite. Our primary types of risks include credit risk, insurance/underwriting risk, liquidity risk, market risk, business/strategic risk, reputation risk, operational risk, model risk, information technology/cybersecurity risk, compliance risk, and conduct risk. For more information on our risk management process, refer to the *Risk Management* MD&A section of our 2023 Annual Report on Form 10-K.

In addition to the primary risks that we manage, climate-related risk has been identified as an emerging risk. Climate-related risk refers to the risk of loss or change in business activities arising from climate change and represents a transverse risk that could impact other risks within Ally’s risk-management framework, such as credit risk from negatively impacted borrowers, reputation risk from increased stakeholder concerns, and operational risk from physical climate risks. Refer to section titled *Climate-Related Risk* within this section for more information.

Loan and Operating Lease Exposure

The following table summarizes the exposures from our loan and operating-lease activities based on our reportable operating segments.

($ in millions)	March 31, 2024	December 31, 2023
Finance receivables and loans		
Automotive Finance (a)	$ 107,171	$ 107,655
Mortgage Finance	18,227	18,442
Corporate Finance	10,144	10,905
Corporate and Other (b)	2,418	2,437
Total finance receivables and loans	137,960	139,439
Loans held-for-sale		
Automotive Finance	5	13
Mortgage Finance (c)	27	25
Corporate Finance	213	253
Corporate and Other (d)	113	2,049
Total loans held-for-sale	358	2,340
Total on-balance-sheet loans	138,318	141,779
Off-balance-sheet securitized loans		
Automotive Finance	2,444	1,558
Whole-loan sales		
Automotive Finance	1,065	956
Corporate and Other	111	125
Total off-balance-sheet loans (e)	3,620	2,639
Operating lease assets		
Automotive Finance	8,731	9,171
Total operating lease assets	8,731	9,171
Total loan and operating lease exposure	$ 150,669	$ 153,589

(a) Includes a liability of $181 million and $93 million associated with fair value hedging adjustments at March 31, 2024, and December 31, 2023, respectively. Refer to Note 19 to the Condensed Consolidated Financial Statements for additional information.
(b) Includes $214 million and $225 million of consumer mortgage loans in our legacy mortgage portfolio at March 31, 2024, and December 31, 2023, respectively.
(c) Represents the current balance of conforming mortgages originated directly to the held-for-sale portfolio.
(d) Includes $1.9 billion of assets of operations held-for-sale as of December 31, 2023. We closed the sale of Ally Lending, during the three months ended March 31, 2024. Refer to Note 2 to the Condensed Consolidated Financial Statements for additional information.
(e) Represents the current unpaid principal balance of outstanding loans based on our customary representation and warranty provisions.

The risks inherent in our loan and operating lease exposures are largely driven by changes in the overall economy (including GDP trends and inflationary pressures), used vehicle and housing prices, unemployment levels, real personal income, household savings, and their impact on our borrowers. The potential financial statement impact of these exposures varies depending on the accounting classification and future expected disposition strategy. We retain most of our consumer automotive and credit card loans as they complement our core business model, but we do sell loans from time to time on an opportunistic basis. We ultimately manage the associated risks based on the underlying economics of the exposure. Our operating lease residual risk may be more volatile than credit risk in stressed macroeconomic scenarios. While all operating leases are exposed to potential reductions in used vehicle values, only those where we take possession of the vehicle are affected by potential reductions in used vehicle values.

Credit Risk

Credit risk is defined as the risk of loss arising from an obligor not meeting its contractual obligations to us. Credit risk includes consumer credit risk, commercial credit risk, and counterparty credit risk.

Credit risk is a major source of potential economic loss to us. Credit risk is monitored by the executive leadership team and our associates, and is regularly reported to and reviewed with the RC. Management oversees credit decisioning, account servicing activities, and credit-risk-management processes, and manages credit risk exposures within our risk appetite. In addition, our Loan Review Group provides an independent assessment of the quality of our credit portfolios and credit-risk-management practices and reports its findings to the RC on a regular basis.

To mitigate risk, we have implemented specific policies and practices across business lines, utilizing both qualitative and quantitative analyses. This reflects our commitment to maintaining an independent and ongoing assessment of credit risk and credit quality. Our policies require an objective and timely assessment of the overall quality of the consumer and commercial loan and operating lease portfolios. This includes the identification of relevant trends that affect the collectability of the portfolios, microsegments of the portfolios that are potential problem areas, loans and operating leases with potential credit weaknesses, and the assessment of the adequacy of internal credit risk policies and procedures. Our consumer and commercial loan and operating lease portfolios are subject to periodic stress tests, which include economic scenarios whose severity mirrors those developed and distributed by the FRB to assess how the portfolios may perform in a severe economic downturn. In addition, we establish and maintain underwriting policies and limits across our portfolios and higher risk segments (for example, nonprime) based on our risk appetite.

Another important aspect to managing credit risk involves the need to carefully monitor and manage the performance and pricing of our loan products with the aim of generating appropriate risk-adjusted returns. When considering pricing, various granular risk-based factors are considered such as expected loss rates, loss volatility, anticipated operating costs, and targeted returns on equity. We carefully monitor credit losses and trends in credit losses relative to expected credit losses at contract inception. We closely monitor our loan performance and profitability in light of forecasted economic conditions and manage credit risk and expectations of losses in the portfolio.

We manage credit risk based on the risk profile of the borrower, the source of repayment, the underlying collateral, and current market and economic conditions. We monitor the credit risk profile of individual borrowers, various segmentations (for example, geographic region, product type, industry segment), as well as the aggregate portfolio. We perform quarterly analyses of the consumer automotive, consumer mortgage, consumer other, and commercial portfolios to assess the adequacy of the allowance for loan losses based on historical, current, and anticipated trends. Refer to Note 8 to the Condensed Consolidated Financial Statements for additional information.

Additionally, we utilize numerous collection strategies to mitigate loss and provide ongoing support to customers in financial distress. We have enhanced our collection strategies to include customized messaging, digital communication, and proactive monitoring of vendor performance. We may offer several types of assistance to aid our customers based on their willingness and ability to repay their loan. As part of certain programs, we offer loan modifications to qualified borrowers, including payment extensions, interest rate concessions, and principal forgiveness.

Furthermore, we manage our credit exposure to financial counterparties based on the risk profile of the counterparty. Within our policies we have established standards and requirements for managing counterparty risk exposures in a safe and sound manner. Counterparty credit risk is derived from multiple exposure types including derivatives, securities trading, securities financing transactions, lending arrangements, and certain cash balances. For more information on derivative counterparty credit risk, refer to Note 19 to the Condensed Consolidated Financial Statements.

We employ an internal team of economists to enhance our planning and forecasting capabilities. This team conducts industry and market research, monitors economic risks, and helps support various forms of scenario planning. This group closely monitors macroeconomic trends given the nature of our business and the potential impacts on our exposure to credit risk. The unemployment rate remained low at 3.8% as of March 31, 2024. Sales of new light vehicles were higher than the first quarter of 2023, but slowed sequentially to an average annual rate of 15.4 million during the first quarter of 2024. Sales of new light motor vehicles remain below the pre-pandemic annual pace of 17.0 million in 2019, driving elevated used vehicle values. Additionally, used vehicle values may also be impacted by availability, the price of new vehicles, or changes in customer preferences. However, macroeconomic risks remain elevated.

Consumer Credit Portfolio

During the three months ended March 31, 2024, the credit performance of the consumer loan portfolio reflected our underwriting strategy to originate a diversified portfolio of consumer automotive loan assets, including new, used, prime and nonprime finance receivables and loans, high-quality jumbo and LMI mortgage loans that are obtained through bulk loan purchases and direct-to-consumer mortgage originations, as well as revolving, unsecured loans through Ally Credit Card. The carrying value of our nonprime held-for-investment consumer automotive loans before allowance for loan losses represented approximately 10.2% and 10.3% of our total consumer automotive loans at March 31, 2024, and December 31, 2023, respectively. For information on our consumer credit risk practices and policies regarding delinquencies, nonperforming status, and charge-offs, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

The following table includes consumer finance receivables and loans recorded at amortized cost.

	Outstanding		Nonperforming		Accruing past due 90 days or more (a)	
($ in millions)	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Consumer automotive (b) (c)	**$ 83,406**	$ 84,320	**$ 1,010**	$ 1,129	**$ —**	$ —
Consumer mortgage						
Mortgage Finance	**18,227**	18,442	**33**	41	**—**	—
Mortgage — Legacy	**214**	225	**12**	13	**—**	—
Total consumer mortgage	**18,441**	18,667	**45**	54	**—**	—
Consumer other						
Credit Card	**1,962**	1,990	**94**	92	**—**	—
Total consumer other	**1,962**	1,990	**94**	92	**—**	—
Total consumer finance receivables and loans	**$ 103,809**	$ 104,977	**$ 1,149**	$ 1,275	**$ —**	$ —

(a) Loans are generally in nonaccrual status when principal or interest has been delinquent for 90 days or more, or when full collection is not expected. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information on our accounting policy for finance receivables and loans on nonaccrual status.
(b) Certain finance receivables and loans are included in fair value hedging relationships. Refer to Note 19 to the Condensed Consolidated Financial Statements for additional information.
(c) Includes outstanding CSG loans of $10.0 billion and $10.2 billion at March 31, 2024, and December 31, 2023, respectively, and RV loans of $434 million and $459 million at March 31, 2024, and December 31, 2023.

Total consumer finance receivables and loans decreased $1.2 billion at March 31, 2024, compared with December 31, 2023. The decrease consists of a $914 million decrease in consumer automotive finance receivables and loans, primarily due to the deconsolidation of a securitization. Additionally, our consumer mortgage finance receivables and loans decreased $226 million due to portfolio runoff outpacing originations and purchases.

Total consumer nonperforming finance receivables and loans at March 31, 2024, decreased $126 million to $1.1 billion from December 31, 2023. Refer to Note 8 to the Condensed Consolidated Financial Statements for additional information. Nonperforming consumer finance receivables and loans as a percentage of total outstanding consumer finance receivables and loans was 1.1% and 1.2% at March 31, 2024, and December 31, 2023, respectively.

Consumer automotive loans accruing and past due 30 days or more decreased $491 million to $3.2 billion at March 31, 2024, compared with December 31, 2023. During the three months ended March 31, 2024, we observed a decline in delinquency trends within our consumer automotive loan portfolio, as we continue to make adjustments to our underwriting strategies.

The following tables include consumer net charge-offs and write-downs from transfers to loans held-for-sale from finance receivables and loans at amortized cost and related ratios.

Three months ended March 31, 2024 *($ in millions)*	**Net charge-offs (recoveries)**	**Write-downs from transfers to held-for-sale (a)**	**Total**	**Net charge-off ratios (b)**	**Combined ratios (c)**
Consumer automotive	**$ 477**	**$ 5**	**$ 482**	**2.3 %**	**2.3 %**
Consumer other					
Credit Card	**62**	**—**	**62**	**12.5**	**12.5**
Total consumer other	**62**	**—**	**62**	**12.5**	**12.5**
Total consumer finance receivables and loans	**$ 539**	**$ 5**	**$ 544**	**2.1**	**2.1**

(a) Consumer automotive includes a $5 million reduction of allowance from the completion of a retail securitization transaction during the three months ended March 31, 2024, resulting in the deconsolidation of the assets and liabilities from our Condensed Consolidated Balance Sheet. Refer to Note 10 to the Condensed Consolidated Financial Statements for further information.
(b) Net charge-off ratios are calculated as net charge-offs divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale during the period for each loan category.
(c) Net charge-off and write-downs from transfers to held-for-sale ratios are calculated as net charge-offs and write-downs from transfers to held-for-sale divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale during the period for each loan category.

Three months ended March 31, 2023 ($ in millions)	Net charge-offs (recoveries)	Write-downs from transfers to held-for-sale	Total	Net charge-off ratios (a)	Combined Ratios (b)
Consumer automotive	$ 351	$ —	$ 351	1.7 %	1.7 %
Consumer mortgage					
Mortgage — Legacy	(1)	—	(1)	(1.6)	(1.6)
Total consumer mortgage	(1)	—	(1)	—	—
Consumer other			—		
Personal Lending	30	—	30	5.8	5.8
Credit Card	29	—	29	7.2	7.2
Total consumer other	59	—	59	6.4	6.4
Total consumer finance receivables and loans	$ 409	$ —	$ 409	1.5	1.5

(a) Net charge-off ratios are calculated as net charge-offs divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale during the period for each loan category.
(b) Net charge-off and write-downs from transfers to held-for-sale ratios are calculated as net charge-offs and write-downs from transfers to held-for-sale divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale during the period for each loan category.

Our net charge-offs from total consumer finance receivables and loans were $539 million for the three months ended March 31, 2024, compared to net charge-offs of $409 million for the three months ended March 31, 2023. Net charge-offs for our consumer automotive portfolio increased by $126 million for the three months ended March 31, 2024, compared to the same period in 2023, as delinquencies have increased amid deterioration in macroeconomic conditions, driven by persistent inflation. While delinquencies within our consumer automotive loan portfolio increased for the three months ended March 31, 2024, as compared to the same period in 2023, we observed a moderation in the pace of change for delinquencies since March 31, 2023, as we continue to make adjustments to our underwriting strategies.

The following table summarizes total consumer loan originations for the periods shown. Total consumer loan originations include loans classified as finance receivables and loans held-for-sale during the period.

($ in millions)	Three months ended March 31, 2024	2023
Consumer automotive (a)	**$ 9,188**	$ 9,014
Consumer mortgage (b)	**233**	197
Consumer other (c) (d)	**—**	440
Total consumer loan originations	**$ 9,421**	$ 9,651

(a) Includes loans purchased under forward flow agreements with automotive retailers, as well as $165 million of loans originated as held-for-sale for the three months ended March 31, 2024, and $260 million for the three months ended March 31, 2023.
(b) Excludes bulk loan purchases associated with our Mortgage Finance operations, and includes $198 million of loans originated as held-for-sale for the three months ended March 31, 2024, and $177 million for the three months ended March 31, 2023.
(c) Includes originations related to our Personal Lending portfolio during the three months ended March 31, 2023. During the three months ended March 31, 2024, we closed the sale of Ally Lending. We excluded originations related to our Personal Lending portfolio during the three months ended March 31, 2024. Refer to Note 2 to the Condensed Consolidated Financial Statements for additional information.
(d) Excludes credit card loans, which are revolving in nature.

Total consumer loan originations decreased $230 million for the three months ended March 31, 2024, as compared to the same period in 2023. The decrease was primarily due to the absence of loan originations within the consumer other portfolio, as we closed the sale of Ally Lending during the three months ended March 31, 2024. The decrease was partially offset by a $174 million increase in consumer automotive originations, primarily driven by our dynamic underwriting strategies, including strategic pricing actions to optimize our risk appetite and returns.

The following table shows the percentage of consumer finance receivables and loans by state concentration based on amortized cost.

	March 31, 2024 (a)			December 31, 2023		
	Consumer automotive	**Consumer mortgage**	**Consumer other (b)**	Consumer automotive	Consumer mortgage	Consumer other (b)
California	**8.6 %**	**39.3 %**	**9.4 %**	8.5 %	39.2 %	9.4 %
Texas	**13.6**	**7.3**	**7.6**	13.7	7.3	7.6
Florida	**9.5**	**6.4**	**9.0**	9.5	6.5	9.0
Pennsylvania	**4.5**	**2.1**	**4.2**	4.5	2.1	4.2
North Carolina	**4.4**	**1.9**	**2.9**	4.3	1.9	2.9
Georgia	**4.1**	**2.9**	**3.7**	4.1	2.9	3.7
New York	**3.7**	**1.9**	**5.4**	3.7	1.9	5.4
Illinois	**3.3**	**2.8**	**4.6**	3.3	2.8	4.6
New Jersey	**3.2**	**2.4**	**3.6**	3.2	2.4	3.7
Ohio	**3.4**	**0.4**	**4.5**	3.4	0.4	4.5
Other United States	**41.7**	**32.6**	**45.1**	41.8	32.6	45.0
Total consumer loans	**100.0 %**	**100.0 %**	**100.0 %**	100.0 %	100.0 %	100.0 %

(a) Presentation is in descending order as a percentage of total consumer finance receivables and loans at March 31, 2024.
(b) Excludes Personal Lending finance receivables and loans, which were transferred to loans held-for-sale, and were included in assets of operations held-for-sale on our Condensed Consolidated Balance Sheet at December 31, 2023. We closed the sale of Ally Lending during the three months ended March 31, 2024. Refer to Note 2 to the Condensed Consolidated Financial Statements for additional information.

We monitor our consumer loan portfolio for concentration risk across the states in which we lend. The highest concentrations of consumer loans are in California and Texas, which represented an aggregate of 26.4% of our total outstanding consumer finance receivables and loans at both March 31, 2024, and December 31, 2023. Our consumer mortgage loan portfolio concentration within California, which is primarily composed of high-quality jumbo mortgage loans, generally aligns to the California share of jumbo mortgages nationally.

Repossessed and Foreclosed Assets

We classify a repossessed or foreclosed asset as held-for-sale, which is included in other assets on our Condensed Consolidated Balance Sheet, when physical possession of the collateral is taken. We dispose of the acquired collateral in a timely fashion in accordance with regulatory requirements. For more information on repossessed and foreclosed assets, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

Repossessed automotive loan assets in our Automotive Finance operations were $216 million and $235 million at March 31, 2024, and December 31, 2023, respectively, and foreclosed mortgage assets were $1 million at December 31, 2023.

Commercial Credit Portfolio

For information on our commercial credit risk practices and policies regarding delinquencies, nonperforming status, and charge-offs, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

The following table includes total commercial finance receivables and loans reported at amortized cost.

	Outstanding		Nonperforming		Accruing past due 90 days or more (a)	
($ in millions)	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023	**March 31, 2024**	December 31, 2023
Commercial						
Commercial and industrial						
Automotive	**$ 19,163**	$ 18,700	**$ 5**	$ 18	**$ —**	$ —
Other (b)	**8,911**	9,712	**97**	98	**—**	—
Commercial real estate	**6,077**	6,050	**1**	3	**—**	—
Total commercial finance receivables and loans	**$ 34,151**	$ 34,462	**$ 103**	$ 119	**$ —**	$ —

(a) Loans are generally in nonaccrual status when principal or interest has been delinquent for 90 days or more, or when full collection is not expected. Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for additional information on our accounting policy for finance receivables and loans on nonaccrual status.
(b) Other commercial and industrial primarily includes senior secured commercial lending largely associated with our Corporate Finance operations.

Total commercial finance receivables and loans outstanding decreased $311 million from December 31, 2023, to $34.2 billion at March 31, 2024. Results were primarily driven by a $760 million decrease in our Corporate Finance segment. This was partially offset by a $431 million increase in our Automotive Finance segment, primarily within the commercial and industrial receivables class.

Total commercial nonperforming finance receivables and loans were $103 million at March 31, 2024, reflecting a decrease of $16 million compared to December 31, 2023. Nonperforming commercial finance receivables and loans as a percentage of outstanding commercial finance receivables and loans was 0.3% at both March 31, 2024, and December 31, 2023.

The following table includes total commercial net charge-offs from finance receivables and loans at amortized cost and related ratios.

	Three months ended March 31,			
	Net charge-offs (recoveries)		Net charge-off ratios (a)	
($ in millions)	**2024**	2023	**2024**	2023
Commercial				
Commercial and industrial				
Automotive	**$ 1**	$ —	**— %**	— %
Other	**(1)**	—	**—**	—
Total commercial finance receivables and loans	**$ —**	$ —	**—**	—

(a) Net charge-off ratios are calculated as net charge-offs divided by average outstanding finance receivables and loans excluding loans measured at fair value and loans held-for-sale during the period for each loan category.

Commercial Real Estate

The commercial real estate portfolio consists of finance receivables and loans issued primarily to automotive dealers. Commercial real estate finance receivables and loans was $6.1 billion at both March 31, 2024, and December 31, 2023, which represented 4.4% and 4.3% of total outstanding finance receivables and loans at March 31, 2024, and December 31, 2023, respectively. There was $4.6 billion of commercial real estate loans included in the Automotive Finance segment at both March 31, 2024, and December 31, 2023, and $1.4 billion and $1.3 billion of commercial real estate loans included in the Corporate Finance segment at March 31, 2024, and December 31, 2023, respectively.

The following table presents the percentage of total commercial real estate finance receivables and loans by state concentration based on amortized cost.

	March 31, 2024	December 31, 2023
Florida	**17.5 %**	17.6 %
Texas	**13.4**	13.6
California	**7.9**	7.9
Ohio	**5.9**	5.9
North Carolina	**5.1**	5.0
New York	**4.8**	4.5
Michigan	**4.2**	5.4
Tennessee	**3.7**	3.7
Georgia	**3.1**	3.0
Missouri	**2.9**	2.8
Other United States	**31.5**	30.6
Total commercial real estate finance receivables and loans	**100.0 %**	100.0 %

Commercial Criticized Exposure

Finance receivables and loans classified as special mention, substandard, or doubtful are reported as criticized. These classifications are based on regulatory definitions and generally represent finance receivables and loans within our portfolio that have a higher default risk or have already defaulted. These finance receivables and loans require additional monitoring and review including specific actions to mitigate our potential loss.

Total criticized exposures increased $148 million from December 31, 2023, to $2.3 billion at March 31, 2024. The increase in total criticized exposures was primarily driven by an increase in Substandard and Special Mention loans within the commercial and industrial portfolio class of our Corporate Finance operations. Total criticized exposures were 6.7% and 6.2% of total commercial finance receivables and loans at March 31, 2024, and December 31, 2023, respectively, representing strong overall credit performance.

The following table presents the percentage of total commercial criticized finance receivables and loans by industry concentration based on amortized cost.

	March 31, 2024	December 31, 2023
Industry		
Automotive	**51.5 %**	54.0 %
Services	**17.7**	12.8
Electronics	**12.6**	13.4
Other	**18.2**	19.8
Total commercial criticized finance receivables and loans	**100.0 %**	100.0 %

Allowance for Loan Losses

Our quantitatively determined allowance under CECL is impacted by certain forecasted economic factors as further described in Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K. For example, our consumer automotive allowance for loan losses is most sensitive to state-level unemployment rates. Our process for determining the allowance for loan losses considers a borrower’s willingness and ability to pay and considers other factors, including loan modification programs. In addition to our quantitative allowance for loan losses, we also incorporate qualitative adjustments that may relate to idiosyncratic risks, weather-related events, changes in current economic conditions that may not be reflected in quantitatively derived results, and other macroeconomic uncertainty. We also monitor model performance, using model error and related assessments, and we may incorporate qualitative reserves to adjust our quantitatively determined allowance if we observe deterioration in model performance. Additionally, we perform a sensitivity analysis of our allowance utilizing varying macroeconomic scenarios, as described further within *Critical Accounting Estimates — Allowance for Credit Losses* within the MD&A in our 2023 Annual Report on Form 10-K.

Through March 31, 2024, forecasted economic variables incorporated into our quantitative allowance processes were updated to include the current macroeconomic environment and our future expectations reflecting slow GDP growth in the near term. This included (but was not limited to) the following: the unemployment rate rising to approximately 4.1% in the fourth quarter of 2024, before reverting to the historical mean of approximately 5.9% by the first quarter of 2027, GDP growth slowing as measured on a quarter-over-quarter seasonally adjusted annualized rate basis through the second quarter of 2024, before reverting to the historical mean of approximately 2.0% by the first quarter of

2027, and increases in new light vehicle sales on a seasonally adjusted annualized rate basis of approximately 16 million units through the fourth quarter of 2024, before reverting to the historical mean of 15 million units by the first quarter of 2027. Additionally, we maintain a qualitative allowance framework to account for ongoing uncertainty and volatility in the macroeconomic environment (including the impact of inflationary pressures) that could adversely impact frequency of loss and LGD. Our overall allowance for loan losses decreased $37 million from the prior quarter to $3.6 billion at March 31, 2024, representing 2.6% as a percentage of total finance receivables at both March 31, 2024, and December 31, 2023.

The following tables present an analysis of the activity in the allowance for loan losses on finance receivables and loans for the three months ended March 31, 2024, and March 31, 2023, respectively.

($ in millions)	Consumer automotive	Consumer mortgage	Consumer other (a)	Total consumer	Commercial	Total
Allowance at January 1, 2024	**$ 3,083**	**$ 21**	**$ 293**	**$ 3,397**	**$ 190**	**$ 3,587**
Charge-offs (b)	**(688)**	**(1)**	**(68)**	**(757)**	**(1)**	**(758)**
Recoveries	**211**	**1**	**6**	**218**	**1**	**219**
Net charge-offs	**(477)**	**—**	**(62)**	**(539)**	**—**	**(539)**
Write-downs from transfers to held-for-sale (c)	**(5)**	**—**	**—**	**(5)**	**—**	**(5)**
Provision for credit losses						
Provision due to change in portfolio size	**10**	**—**	**(4)**	**6**	**(7)**	**(1)**
Provision due to incremental charge-offs	**477**	**—**	**62**	**539**	**—**	**539**
Provision due to all other factors	**(38)**	**—**	**2**	**(36)**	**5**	**(31)**
Total provision for credit losses (d)	**449**	**—**	**60**	**509**	**(2)**	**507**
Allowance at March 31, 2024	**$ 3,050**	**$ 21**	**$ 291**	**$ 3,362**	**$ 188**	**$ 3,550**
Net charge-offs to average finance receivables and loans outstanding for the three months ended March 31, 2024	**2.3 %**	**— %**	**12.5 %**	**2.1 %**	**— %**	**1.6 %**
Net charge-offs and write-downs from transfers to held-for-sale to average finance receivables and loans outstanding for the three months ended March 31, 2024	**2.3 %**	**— %**	**12.5 %**	**2.1 %**	**— %**	**1.6 %**
Allowance for loan losses to total nonperforming finance receivables and loans at March 31, 2024 (d)	**302.0 %**	**45.1 %**	**308.8 %**	**292.5 %**	**183.8 %**	**283.6 %**
Nonaccrual loans to finance receivables and loans outstanding at March 31, 2024	**1.2 %**	**0.2 %**	**4.8 %**	**1.1 %**	**0.3 %**	**0.9 %**
Ratio of allowance for loan losses to annualized net charge-offs at March 31, 2024	**1.6**	**36.6**	**1.2**	**1.6**	**250.2**	**1.6**
Ratio of allowance for loan losses to annualized net charge-offs and write-downs from transfers to held-for-sale at March 31, 2024	**1.6**	**36.6**	**1.2**	**1.5**	**250.2**	**1.6**

(a) Includes Credit Card.
(b) Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for information regarding our charge-off policies.
(c) Consumer automotive includes a $5 million reduction of allowance from the completion of a retail securitization transaction during the three months ended March 31, 2024, resulting in the deconsolidation of the assets and liabilities from our Condensed Consolidated Balance Sheet. Refer to Note 10 to the Condensed Consolidated Financial Statements for further information.
(d) Coverage percentages are based on the allowance for loan losses related to finance receivables and loans excluding those loans held at fair value as a percentage of the amortized cost.

($ in millions)	Consumer automotive	Consumer mortgage	Consumer other (a)	Total consumer	Commercial	Total
Allowance at January 1, 2023	$ 3,020	$ 27	$ 426	$ 3,473	$ 238	$ 3,711
Charge-offs (b)	(536)	(1)	(64)	(601)	—	(601)
Recoveries	185	2	5	192	—	192
Net charge-offs	(351)	1	(59)	(409)	—	(409)
Provision due to change in portfolio size	5	—	14	19	(1)	18
Provision due to incremental charge-offs	351	(1)	59	409	—	409
Provision due to all other factors	(3)	(3)	15	9	13	22
Total provision for credit losses (c)	353	(4)	88	437	12	449
Other	—	(1)	—	(1)	1	—
Allowance at March 31, 2023	$ 3,022	$ 23	$ 455	$ 3,500	$ 251	$ 3,751
Net charge-offs to average finance receivables and loans outstanding for the three months ended March 31, 2023	1.7 %	— %	6.4 %	1.5 %	— %	1.2 %
Allowance for loan losses to total nonperforming finance receivables and loans at March 31, 2023 (d)	272.3 %	47.1 %	692.3 %	285.7 %	157.7 %	271.0 %
Nonaccrual loans to finance receivables and loans outstanding at March 31, 2023	1.3 %	0.3 %	1.8 %	1.1 %	0.5 %	1.0 %
Ratio of allowance for loan losses to annualized net charge-offs at March 31, 2023	2.2	(4.9)	1.9	2.1	(328.9)	2.3

(a) Includes Credit Card and Personal Lending.

(b) Refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K for information regarding our charge-off policies.

(c) Excludes $3 million of benefit for credit losses related to our reserve for unfunded commitments. The liability related to the reserve for unfunded commitments is included in accrued expenses and other liabilities on our Condensed Consolidated Balance Sheet.

(d) Coverage percentages are based on the allowance for loan losses related to finance receivables and loans excluding those loans held at fair value as a percentage of the amortized cost.

The allowance for consumer loan losses as of March 31, 2024, decreased $138 million compared to March 31, 2023, reflecting a decrease of $164 million in the consumer other allowance, along with a decrease of $2 million in our consumer mortgage allowance, partially offset by an increase of $28 million in the consumer automotive allowance. The decrease in the consumer other allowance was primarily driven by the sale of Ally Lending. Refer to Note 2 to the Condensed Consolidated Financial Statements for further information. The increase in our consumer automotive allowance was primarily driven by portfolio growth, partially offset by a reduction of allowance from the deconsolidation of securitizations.

The allowance for commercial loan losses as of March 31, 2024, decreased $63 million compared to March 31, 2023. The decrease was primarily driven by the charge-off of specific reserves in our Corporate Finance operations, partially offset by portfolio growth in our Automotive Finance operations.

Provision for Loan Losses

The following table summarizes the provision for loan losses by loan portfolio class.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Consumer automotive	**$ 449**	$ 353
Consumer mortgage		
Mortgage Finance	**—**	(1)
Mortgage — Legacy	**—**	(3)
Total consumer mortgage	**—**	(4)
Consumer other		
Personal Lending (a)	**—**	49
Credit Card	**60**	39
Total consumer other	**60**	88
Total consumer	**509**	437
Commercial		
Commercial and industrial		
Automotive	**—**	(1)
Other	**(1)**	16
Commercial real estate	**(1)**	(3)
Total commercial	**(2)**	12
Total provision for loan losses	**$ 507**	$ 449

(a) We closed the sale of Ally Lending, during the three months ended March 31, 2024. Refer to Note 2 to the Condensed Consolidated Financial Statements for additional information.

The provision for consumer credit losses increased $72 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase in provision for consumer credit losses for the three months ended March 31, 2024, was primarily driven by higher net charge-offs in our consumer automotive portfolio, partially offset by the sale of Ally Lending.

The provision for commercial credit losses decreased $14 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The decrease in provision for commercial credit losses during the three months ended March 31, 2024, was primarily driven by lower specific reserve activity within our Corporate Finance operations during the three months ended March 31, 2024, as compared to the same period in 2023.

Allowance for Loan Losses by Type

The following table summarizes the allocation of the allowance for loan losses by loan portfolio class.

	2024			2023		
March 31, *($ in millions)*	**Allowance for loan losses**	**Allowance as a % of loans outstanding**	**Allowance as a % of total allowance for loan losses**	Allowance for loan losses	Allowance as a % of loans outstanding	Allowance as a % of total allowance for loan losses
Consumer automotive	**$ 3,050**	**3.7**	**85.9**	$ 3,022	3.6	80.6
Consumer mortgage						
Mortgage Finance	**18**	**0.1**	**0.5**	20	0.1	0.5
Mortgage — Legacy	**3**	**1.3**	**0.1**	3	1.1	0.1
Total consumer mortgage	**21**	**0.1**	**0.6**	23	0.1	0.6
Consumer other						
Personal Lending (a)	**—**	**—**	**—**	213	10.3	5.7
Credit Card	**291**	**14.9**	**8.2**	242	14.7	6.4
Total consumer other	**291**	**14.9**	**8.2**	455	12.3	12.1
Total consumer loans	**3,362**	**3.2**	**94.7**	3,500	3.3	93.3
Commercial						
Commercial and industrial						
Automotive	**14**	**0.1**	**0.4**	13	0.1	0.3
Other	**142**	**1.6**	**4.0**	205	2.3	5.5
Commercial real estate	**32**	**0.5**	**0.9**	33	0.6	0.9
Total commercial loans	**188**	**0.6**	**5.3**	251	0.9	6.7
Total allowance for loan losses	**$ 3,550**	**2.6**	**100.0**	$ 3,751	2.8	100.0

(a) We closed the sale of Ally Lending, during the three months ended March 31, 2024. Refer to Note 2 to the Condensed Consolidated Financial Statements for additional information.

Market Risk

Our financing, investing, and insurance activities give rise to market risk, or the potential change in the value of our assets (including securities, assets held-for-sale, loans and operating leases) and liabilities (including deposits and debt) due to movements in market variables, such as interest rates, spreads, foreign-exchange rates, equity prices, off-lease vehicle prices, and other equity investments.

The impact of changes in benchmark interest rates on our balance sheet represents an exposure to market risk and can affect our expected earnings. We primarily use interest rate derivatives to manage our interest rate risk exposure.

During the three months ended March 31, 2024, the Federal Reserve maintained the federal funds target range at 5.25–5.50% in response to persistent elevated inflation levels. High federal funds target rates led to pricing impacts across the balance sheet. Refer to the section below titled *Net Financing Revenue Sensitivity Analysis* for additional information on how future rate changes may impact net financing revenue.

The fair value of our spread-sensitive assets is also exposed to spread risk. Spread is the amount of additional return over the benchmark interest rates that an investor would demand for taking exposure to primarily credit and liquidity risk of an instrument. Generally, an increase in spreads would result in a decrease in fair value measurement.

We are also exposed to marginal foreign-currency risk primarily from Canadian denominated assets and liabilities. We enter into foreign currency hedges to mitigate foreign exchange risk.

We have exposure to changes in the value of equity securities with readily determinable fair values primarily related to our Insurance operations. For such equity securities, we use equity derivatives to manage our exposure to equity price fluctuations.

As part of our CRA program, we make investments in CRA-eligible funds that do not qualify as proportional amortization investments. Many of these CRA funds feature private equity or venture capital structures and are accounted for using the equity method of accounting. We recognize our share of the investee’s earnings based on the performance of the funds. We recognized a loss of $15 million related to these investments during the three months ended March 31, 2024, as compared to a loss of $25 million for the same period in 2023. The losses were primarily due to broader real estate market trends adversely impacting certain real estate funds. There were no indications of impairment within our portfolio of CRA-eligible funds as of March 31, 2024. Refer to Note 1 to the Condensed Consolidated Financial Statements for additional information on our accounting policy for Equity-Method Investments and Proportional Amortization Investments.

In addition, we are exposed to changes in the value of other nonmarketable equity investments without readily determinable fair market values, which may cause volatility in our earnings.

As of March 31, 2024, we had $4.0 billion of cumulative net unrealized losses on our investment securities. During the three months ended March 31, 2024, we recorded $170 million of net unrealized losses on our available-for-sale securities. Unrealized gains and losses are recorded in other comprehensive (loss) income within our Condensed Consolidated Statement of Comprehensive (Loss) Income, and are generally not realized unless we sell the securities prior to their stated maturity date. In the fourth quarter of 2023, non-agency mortgage-backed residential securities with a fair value of $3.6 billion were transferred from available-for-sale to held-to-maturity. At the time of the transfer, $911 million of unrealized losses were retained in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheet. The transfer of these securities to held-to-maturity reduces our exposure to fluctuations in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheet that can result from unrealized losses on available-for-sale securities due to changes in market interest rates. As of March 31, 2024, and December 31, 2023, we did not have the intent to sell the available-for-sale securities with an unrealized loss position and we do not believe it is more likely than not that we will be required to sell these securities before recovery of their amortized cost basis. For the three months ended March 31, 2024, management determined that there were no expected credit losses for available-for-sale or held-to-maturity securities in an unrealized loss position. Refer to Note 7 and Note 16 to the Condensed Consolidated Financial Statements for additional information.

The composition of our balance sheet, including shorter-duration fixed-rate consumer automotive loans and variable-rate commercial loans, along with our primary funding source of retail deposits, partially mitigates market risk. Additionally, we maintain risk-management controls that measure and monitor market risk using a variety of analytical techniques including market value and sensitivity analysis. Refer to Note 19 to the Condensed Consolidated Financial Statements for additional information. For information regarding our insured and uninsured deposit liabilities, refer to the section below titled *Response to Banking Industry Failures.*

Net Financing Revenue Sensitivity Analysis

Interest rate risk represents one of our most significant exposures to market risk. We actively monitor the level of exposure to movements in interest rates and take actions to mitigate adverse impacts these movements may have on future earnings. We use a sensitivity analysis of net financing revenue as our primary metric to measure and manage the interest rate risk of our financial instruments.

The execution of our current business strategy generally results in shorter-duration, fixed-rate consumer automotive loans comprising the majority of our assets and liquid, floating-rate retail deposits comprising the majority of our liabilities. This, in turn, results in a structurally liability sensitive balance sheet as our floating-rate retail deposits reprice faster than our fixed-rate consumer automotive loans when interest rates change. We prepare forward-looking baseline forecasts of pretax net financing revenue as well as anticipated future business growth, actions to alter our asset/liability positioning, and interest rates based on the implied forward curve. The analysis is highly dependent upon a variety of assumptions, one of the most significant being the repricing characteristics of retail deposits with both contractual and non-contractual maturities. We monitor industry and competitive repricing activity along with other business and market factors when developing deposit pricing assumptions.

Modeled simulations are then used to assess changes in pretax net financing revenue in multiple interest rate scenarios relative to the baseline forecast. The changes in net financing revenue relative to the baseline are defined as the sensitivity. Our simulations incorporate contractual cash flows and assumed repricing characteristics for assets, liabilities, and off-balance sheet exposures and incorporate the assumed effects of changing interest rates on the prepayment and attrition rates of certain assets and liabilities. Our simulations do not assume any specific future actions are taken to mitigate the impacts of changing interest rates.

These simulations measure the potential changes in our pretax net financing revenue over the following 12 months. We test a number of alternative rate scenarios, including immediate and gradual parallel shocks to the implied forward curve. We also evaluate nonparallel shocks to interest rates and stresses to certain term points on the yield curve in isolation to capture and monitor a variety of risks.

Simulation results are driven by underlying models and assumptions that are based on trend behavior and other historical information. The underlying models and assumptions, including retail deposit pricing, are regularly monitored and evaluated, and may be updated accordingly as observed trends materialize. As a result, if future trends or behaviors deviate from those reflected in the models, actual sensitivities may vary—perhaps significantly—from those that are modeled. For example, the pace and magnitude of changes in the federal-funds rate during the last two years has challenged models like ours whose historical data is largely derived from a more stable rate environment. During the first quarter of 2024, we updated our liquid deposit repricing assumptions, increasing our liability sensitivity to instantaneous rate increases. Actual sensitivities may differ for other reasons as well, including unplanned changes in balance sheet composition, timing of asset and liability repricing, the yield curve, customer behavior, macroeconomic conditions, the competitive environment, and management strategies. Accordingly, we do not treat the sensitivities as forecasts of net financing revenue but instead use them as a tool in managing interest rate risk.

In a stable rate scenario that assumes spot rates as of March 31, 2024, remain constant through the simulation, net financing revenue over the next 12 months is expected to decrease by $22 million versus the baseline forecast, due to the shape of the implied forward curve.

The following table presents the pretax dollar impact to baseline forecasted net financing revenue over the next 12 months assuming various parallel shocks to the implied forward curve as of March 31, 2024, and December 31, 2023.

	March 31, 2024		December 31, 2023	
	Gradual (a)	**Instantaneous**	Gradual (a)	Instantaneous
Change in interest rates	*($ in millions)*		*($ in millions)*	
+200 basis points	**$ 147**	**$ 9**	$ 150	$ 23
+100 basis points	**71**	**5**	88	3
-100 basis points	**(87)**	**(56)**	(96)	(107)

(a) Gradual changes in interest rates are recognized over 12 months.

Since December 31, 2023, the implied forward curve has increased and remained higher for a longer period. During the first quarter of 2024, fixed-rate asset balances decreased primarily due to closing the sale of Ally Lending and our cash balances increased. Additionally, we saw a shift from CDs to liquid deposits. The impact of these changes is reflected in our baseline net financing revenue forecast. As of March 31, 2024, we view the balance sheet as being modestly asset-sensitive in the near-term to changes in interest rates, as we expect the assumed repricing of our assets and pay-fixed swaps to modestly outpace the assumed repricing of our liabilities. Within the 12-month horizon, we expect the balance sheet to revert to liability sensitive.

Our interest-rate risk position is influenced by the impact of hedging activity, which primarily consists of interest rate swaps designated as fair value hedges of certain fixed-rate assets and fixed-rate debt instruments. Additionally, we use interest rate floor contracts designated as cash flow hedges on certain floating-rate assets. The size, maturity, and mix of our hedging activities are adjusted as our balance sheet, ALM objectives, and the interest rate environment evolve over time. Our hedging strategies, however, are not designed to eliminate all interest-rate risk, and we were adversely affected from high interest rates in 2023 and 2024.

Operating Lease Residual Risk Management

We are exposed to residual risk on vehicles in the consumer operating lease portfolio. This operating lease residual risk represents the possibility that the actual proceeds realized upon the sale of returned vehicles will be lower than the projection of these values used in establishing the pricing at lease inception. Our operating lease portfolio, net of accumulated depreciation was $8.7 billion and $9.2 billion as of March 31, 2024, and December 31, 2023, respectively. The expected lease residual value of our operating lease portfolio at scheduled termination was $7.1 billion and $7.4 billion as of March 31, 2024, and December 31, 2023, respectively. For information on our valuation of automotive operating lease residuals including periodic revisions through adjustments to depreciation expense based on current and forecasted market conditions, refer to the section titled *Critical Accounting Estimates—Valuation of Automotive Operating Lease Assets and Residuals* within the MD&A in our 2023 Annual Report on Form 10-K.

Operating Lease Vehicle Terminations and Remarketing

The following table summarizes the volume of operating lease terminations and average gain per vehicle, as well as our methods of vehicle sales at lease termination, stated as a percentage of total operating lease vehicle disposals.

	Three months ended March 31,	
	2024	2023
Off-lease vehicles terminated *(in units)*	**31,926**	24,163
Average gain per vehicle *($ per unit)*	**$ 1,431**	$ 1,932
Method of vehicle sales		
Sale to dealer, lessee, and other	**59 %**	80 %
Auction		
Internet	**34**	15
Physical	**7**	5

We recognized an average gain per vehicle of $1,431 for the three months ended March 31, 2024, compared to an average gain per vehicle of $1,932 for the same period in 2023. The decrease in remarketing performance during the three months ended March 31, 2024, as compared to the same period in 2023, was primarily due to lower auction prices, compounded by continued normalizing volume trends in the contractually priced buyout channels. Off-lease vehicles sold to lessees and dealers decreased 26% for the three months ended March 31, 2024, as compared to the same period in 2023.

Operating Lease Portfolio Mix

The following table presents the concentration of our outstanding operating leases exposures by OEM.

March 31,	**2024**	2023
Stellantis	**75 %**	78 %
GM	**6**	4
Other OEMs	**19**	18

The following table presents the mix of operating lease assets by vehicle type, based on volume of units outstanding.

March 31,	**2024**	2023
Sport utility vehicle	**69 %**	64 %
Truck	**27**	30
Car	**4**	6

Climate-Related Risk

We have identified and defined climate-related risk as an emerging risk. Pursuant to our risk-management framework, emerging risks include those that have yet to create a material impact or would only arise during stressful or unlikely circumstances. Refer to the section titled *Risk Factors* in Part I, Item 1A of our 2023 Annual Report on Form 10-K for information on climate-related risks.

Climate-related risk is generally categorized into two major categories: (1) risk related to the transition to a lower-carbon economy (transition risk) and (2) risk related to the physical impacts of climate change. Transition risk considers how changes in policy, technology, and market preference could pose operational, financial, and reputational risk to companies. Physical risk from climate change can be acute or chronic. Acute physical risk refers to risks that are event-driven such as increased severity of extreme weather events, including tornadoes, hurricanes, or floods. Chronic physical risks refer to long-term shifts in climate patterns, such as sustained higher temperatures, that may, for example, cause sea levels to rise.

As the impacts of climate change become more evident, we have recognized (1) the importance of understanding, preparing for and taking timely preventive action against potentially material climate-change impacts, (2) increasing investor demand for consistent and comparable climate-change risk data, (3) shifting federal policy focus as a result of rejoining the Paris Climate Agreement and an increase in regulatory discussion about potential requirements and oversight, and (4) that Ally’s commitment to “Do It Right” extends to the conservation of environmental resources to promote a sustainable future for our customers, employees, stockholders, and the communities in which we live and operate. Ally is committed to developing a comprehensive enterprise sustainability strategy focusing on greater data collection, aggregation, and analysis, with the goal of aligning with the recommendations from the TCFD in assessing and reporting on our exposures to climate-related risks and opportunities consistent with the financial industry. For additional information, refer to the *Risk Management* MD&A section of our 2023 Annual Report on Form 10-K. Refer to Note 1 to the Condensed Consolidated Financial Statements for additional information on The Enhancement and Standardization of Climate-Related Disclosures for Investors (SEC Release No. 33-11275).

Liquidity Management, Funding, and Regulatory Capital

Overview

The purpose of liquidity management is to enable us to meet loan and operating lease demand, debt maturities, deposit withdrawals, and other cash commitments under both normal operating conditions as well as periods of economic or financial stress. Our primary objective is to maintain cost-effective, stable and diverse sources of funding capable of sustaining the organization throughout all market cycles. Sources of funding include both retail and brokered deposits and secured and unsecured market-based funding across various maturity, interest rate, and investor profiles. Additional liquidity is available through a pool of unencumbered highly liquid securities, repurchase agreements, advances from the FHLB of Pittsburgh, and the FRB Discount Window.

We define liquidity risk as the risk that an institution’s financial condition or overall safety and soundness is adversely affected by the actual or perceived inability to liquidate assets or obtain adequate funding or to easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions. Liquidity risk can arise from a variety of institution-specific or market-related events that could have a negative impact on cash flows available to the organization. Effective management of liquidity risk positions an organization to meet cash flow obligations caused by unanticipated events. Managing liquidity needs and contingent funding exposures has proven essential to the solvency of financial institutions.

The ALCO, chaired by the Corporate Treasurer, is responsible for overseeing our funding and liquidity strategies. Corporate Treasury is responsible for managing our liquidity positions within limits approved by ALCO, the ERMC, and the RC. As part of managing liquidity risk, Corporate Treasury prepares monthly forecasts depicting anticipated funding needs and sources of funds, executes our funding strategies, and manages liquidity under normal as well as more severely stressed macroeconomic environments. Oversight and monitoring of liquidity risk are provided by Independent Risk Management.

The monthly liquidity forecasts demonstrate our ability to generate and obtain adequate amounts of cash to meet loan and operating lease demand, debt maturities, deposit withdrawals, and other cash commitments under normal operating conditions throughout the forecast horizon (currently through December 2026). Refer to Note 13 to the Condensed Consolidated Financial Statements for a summary of the scheduled maturity of long-term debt as of March 31, 2024. In recent years, we have become less reliant on market-based funding, reducing our exposure to disruptions in wholesale funding markets.

Funding Strategy

Liquidity and ongoing profitability are largely dependent on the timely and cost-effective access to retail deposits and funding in various segments of the capital markets. We focus on maintaining diversified funding sources across a broad base of depositors, lenders, and investors to meet liquidity needs throughout different economic cycles, including periods of financial distress. These funding sources include retail and brokered deposits, public and private asset-backed securitizations, unsecured debt, FHLB advances, and repurchase agreements. Our access to diversified funding sources enhances funding flexibility and results in a more cost-effective funding strategy over the long term. We evaluate funding markets on an ongoing basis to achieve an appropriate balance of unsecured and secured funding sources and maturity profiles.

We manage our funding to achieve a well-balanced portfolio across a spectrum of risk, maturity, and cost-of-funds characteristics. Optimizing funding at Ally Bank continues to be a key part of our long-term liquidity strategy. We optimize our funding sources at Ally Bank by prioritizing retail deposits, maintaining an active securitization program, managing the maturity profile of our brokered deposit portfolio, utilizing repurchase agreements, and continuing to access funds from the FHLB.

Assets are primarily originated by Ally Bank to reduce parent company exposures and funding requirements, and to utilize our growing consumer deposit-taking capabilities. This allows us to use bank funding for substantially all our automotive finance and other assets and to provide a sustainable long-term funding channel for the business, while also improving the cost of funds for the enterprise.

Liquidity Risk Management

Multiple metrics are used to measure liquidity risk, manage the liquidity position, identify related trends, and monitor these trends and metrics against established limits. These metrics include comprehensive stress tests that measure the sufficiency of the liquidity portfolio over stressed horizons ranging from overnight to 12 months, stability ratios that measure longer-term structural liquidity, and concentration ratios that enable prudent funding diversification. In addition, we have established internal management routines designed to review all aspects of liquidity and funding plans, evaluate the adequacy of liquidity buffers, review stress testing results, and assist management in the execution of its funding strategy and risk-management accountabilities.

Our liquidity stress testing is designed to allow us to operate our businesses and to meet our contractual and contingent obligations, including unsecured debt maturities, for at least 12 months, assuming our normal access to funding is disrupted by severe market-wide and enterprise-specific events. We maintain available liquidity in the form of cash, unencumbered highly liquid securities, available FHLB capacity, and available FRB Discount Window capacity. This available liquidity is held at various legal entities and is subject to regulatory restrictions and tax implications that may limit our ability to transfer funds across entities.

The following table summarizes our total available liquidity.

($ in millions)	March 31, 2024	December 31, 2023
Liquid cash and equivalents (a)	**$ 7,420**	$ 6,468
FHLB unused pledged borrowing capacity (b)	**13,751**	10,333
Unencumbered highly liquid securities (c)	**20,859**	20,627
FRB Discount Window pledged capacity (d)	**26,298**	26,025
Total available liquidity	**$ 68,328**	$ 63,453

(a) Excludes restricted cash and foreign currency cash balances.
(b) Pledged assets are primarily composed of consumer mortgage finance receivables and loans, as well as real-estate-backed loans within our Automotive Finance and Corporate Finance businesses, and non-agency mortgage-backed securities.
(c) Includes unencumbered U.S. federal government, U.S. agency, and highly liquid corporate debt securities.
(d) Pledged assets are composed of consumer automotive finance receivables and loans. Refer to Note 13 to the Condensed Consolidated Financial Statements for information on assets pledged to the FRB.

Recent Funding and Liquidity Developments

Key funding highlights from January 1, 2024, to date were as follows:

- We raised $1.1 billion through the completion of term securitization transactions backed by consumer automotive loans.
- We issued $2.5 billion of brokered CDs.
- We became eligible for the FRB Standing Repo Facility.

Response to Banking Industry Failures

In March 2023, the FDIC was appointed as receiver for SVB and Signature after they experienced runs on deposits and other liquidity constraints. At the time, SVB and Signature were the 16th and 29th largest banks in the United States, respectively, as measured by total assets as of December 31, 2022. Also during March 2023, UBS Group AG announced the acquisition of Credit Suisse Group AG, with the support of the Swiss government.

Our liquidity position fundamentally differs from those of SVB and Signature before their failures. For example, approximately 92% of total deposits at Ally Bank, excluding affiliate and intercompany deposits, were FDIC-insured as of March 31, 2024, compared to 12% for SVB and 10% for Signature as of December 31, 2022. Additionally, our deposit portfolio is primarily composed of granular and diversified retail customer accounts, as opposed to SVB and Signature who had large uninsured commercial deposits. However, because of the market turbulence and uncertainty, in March 2023, we activated existing internal incident response procedures specifically designed to increase governance and monitoring of Ally Bank's depositor behavior, liquidity position, and risk exposure, including frequent ongoing dialogue with the Board and supervisory authorities.

Before and after the SVB and Signature failures, we also took specific funding actions. Even before these failures, in response to the unprecedented pace of monetary tightening in 2022 and the resultant macroeconomic uncertainty, we had increased cash and available liquidity. After the failures, we continued to do so by optimizing brokered CD issuances, borrowing from the FHLB, managing securities collateral pledged to the FHLB, maintaining competitive retail deposit pricing, managing new loan origination volumes, and increasing available FRB Discount Window capacity by pledging additional consumer automotive loan collateral. In March 2024, we also became eligible for the FRB Standing Repo Facility, which allows banks to borrow overnight cash from the FRB through a repurchase agreement using U.S. Treasury or agency mortgage-backed securities as collateral. We had $68.3 billion of total available liquidity as of March 31, 2024, which included $13.8 billion of available FHLB capacity and $26.3 billion of available FRB Discount Window capacity. Refer to the section above titled *Liquidity Risk Management.* FHLB funding provides us with a stable funding source and can be drawn upon on a same-day basis if sufficiently secured with available collateral.

In support of American businesses and households, the FRB created the BTFP in March 2023 to make additional funding available to eligible depository institutions in order to help assure that banks have the ability to meet the needs of all of their depositors. The FRB ceased making new loans as scheduled on March 11, 2024. We did not borrow from the BTFP through March 31, 2024. As of March 31, 2024, we had $26.3 billion in total available funding capacity through the FRB Discount Window, with no debt outstanding during the three months ended March 31, 2024.

Following the failures of SVB and Signature, on May 1, 2023, First Republic Bank was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. The FDIC entered into a purchase and assumption agreement with JPMorgan Chase Bank to assume all the deposits and substantially all the assets of First Republic Bank. We continue to monitor and assess the impact of these failures on Category IV firms, like Ally.

In April 2023, in a statement accompanying the review of the FRB’s supervision and regulation of SVB, FRB Vice Chair for Supervision Barr highlighted a plan to revisit the Tailoring Rules and develop stronger capital, liquidity, stress-testing, and other standards for Category IV firms like Ally. In July 2023, the U.S. banking agencies issued a proposed rule to customize and implement revisions to the global Basel III capital framework that were approved by the Basel Committee in December 2017 (commonly known as the Basel III endgame or as Basel IV). For regulatory capital, the proposed rule would eliminate the effect of the Tailoring Rules by requiring the recognition of most elements of accumulated other comprehensive income and loss and the application of deductions, limitations, and criteria for specified capital investments, minority interests, and TLAC holdings. For each of the risk-based capital ratios, a large banking organization, like Ally, would calculate and be bound by the lower of two alternatives: one version of the ratio based on an expanded risk-based approach prescribed in the proposed rule and one version of the ratio based on the standardized approach as modified by the proposed rule. All capital buffer requirements, including the stress capital buffer requirement, would apply regardless of whether the expanded risk-based approach or the standardized approach produces the lower ratio. Under the expanded risk-based approach, total RWAs would equal the sum of the RWAs for credit risk, equity risk, operational risk, market risk, and CVA risk as set forth in the proposed rule minus any amount of the banking organization’s adjusted allowance for credit losses that is not included in Tier 2 capital and any amount of allocated transfer risk reserves. Under the standardized approach, total RWAs would be calculated using the existing rules with a revised methodology for determining RWAs for market risk, and a required application of the standardized approach for counterparty credit risk for derivative exposures. Category IV firms would be further required under the proposed rule to project their risk-based capital ratios under baseline conditions in their capital plans and related reports using the RWA-calculation approach that results in their binding risk-based capital ratios as of the start of the projection horizon. The proposed rule also would roll back additional elements of the Tailoring Rules by applying to Category IV firms the supplementary leverage ratio, the countercyclical capital buffer, and enhanced public disclosure and reporting requirements. Under the proposed rule, a three-year transition period from July 1, 2025, to June 30, 2028, would apply to the recognition of accumulated other comprehensive income and loss in regulatory capital and the use of the expanded risk-based approach. The phase-in of accumulated other comprehensive income and loss is expected to significantly affect our levels of regulatory capital. While we believe that this would be manageable, we also anticipate that our levels of regulatory capital would need to be gradually increased in advance of and during the proposed transition period. As for the proposed changes to RWAs, while we continue to evaluate the effects of individual provisions and the interplay among them as well as potential management actions in response, the impact is not currently expected to be significant in the aggregate if the proposed rule were adopted in its existing form. Since the proposed rule was issued, we have been engaged with research and advocacy groups to inform the rulemaking process and better understand the impacts of the proposed rule on banking organizations of various sizes and complexities—as well as the competitive environment more broadly—and likewise encourage the U.S. banking agencies to closely study these impacts and their wider implications.

In August 2023, the U.S. banking agencies issued two proposed rules to improve the resolvability of Category IV firms, like Ally. The first proposed rule would require Category II, III, and IV firms, their large consolidated banks, and other institutions to issue and maintain minimum amounts of eligible long-term debt in an amount that is the greater of (i) 6 percent of total RWAs, (ii) 3.5 percent of average total consolidated assets, and (iii) 2.5 percent of total leverage exposure. Covered insured depository institutions, like Ally Bank, that are consolidated subsidiaries of covered entities, like Ally, would be required to issue eligible long-term debt internally to a company that consolidates the covered insured depository institution, which would in turn be required to purchase that long-term debt. Only long-term debt instruments that are most readily able to absorb losses in a resolution proceeding would qualify, and the operations of covered entities would be subject to clean-holding-company requirements such as prohibitions and limitations on their liabilities to unaffiliated entities. Under the proposed rule, a transition period would apply with 25, 50, and 100 percent of the long-term-debt requirements coming into effect by the end of the first, second, and third years, respectively, after finalization of the rule. The second proposed rule, which was issued solely by the FDIC, would require each insured depository institution with $100 billion or more in total assets, like Ally Bank, to submit a full resolution plan with an identified strategy for ensuring timely access to insured deposits, maximizing value from the disposition of assets, minimizing any losses realized by creditors, and addressing potential financial-stability risks. Each resolution plan also would be subject to more stringent standards on its assumptions, content, and reviews. Covered insured depository institutions would need to submit a full resolution plan every two years with interim supplements in non-submission years. We are still assessing the impact of these two proposed rules but, due to the current structure and amount of debt instruments issued by Ally and Ally Bank, expect the long-term-debt rule in particular to significantly affect us.

Whether and when final rules related to these proposals may be adopted and take effect, as well as what changes to the proposed rules may be reflected in any final rules after the comment periods, remain unclear. Also, beyond these proposed rules, more stringent and less tailored liquidity, stress-testing, and other standards for Category IV firms, like Ally, may be forthcoming, including those that may reinstate the LCR, require more rigorous liquidity stress testing, and return Ally to supervisory stress testing on an annual cycle. Refer to Note 18 to the Condensed Consolidated Financial Statements for additional information.

In August 2023, citing macroeconomic trends impacting the banking industry, such as increased costs of funding and rapid tightening in monetary policy, Moody’s downgraded the credit ratings of a number of banks. Additionally, Moody’s downgraded the outlook of a number of banks, including Ally, where the outlook was lowered from Stable to Negative. Refer to the section below titled *Credit Ratings* for additional information.

On November 16, 2023, the FDIC finalized a rule that imposes a special assessment to recover the costs to the DIF resulting from the FDIC's use, in March 2023, of the systemic risk exception to the least-cost resolution test under the FDI Act in connection with the receiverships of SVB and Signature. The FDIC estimated in approving the rule that those assessed losses total approximately $16.3 billion. The rule provides that this loss estimate will be periodically adjusted, which will affect the amount of the special assessment. Under the rule, the assessment base is the estimated uninsured deposits that an IDI reported in its Consolidated Reports of Condition and Income ("Call Report") at December 31, 2022, excluding the first $5 billion in estimated uninsured deposits. The special assessments will be collected at an annual rate of approximately 13.4 basis points per year (3.36 basis points per quarter) over eight quarters in 2024 and 2025, with the first assessment period beginning January 1, 2024. Because the estimated loss pursuant to the systemic risk determination will be periodically adjusted, the FDIC retains the ability to cease collection early, extend the special assessment collection period, and impose a final shortfall special assessment on a one-time basis. Ally expects the special assessments to be tax deductible. The total of the assessments for Ally, based on Ally Bank's uninsured deposits as of December 31, 2022, was estimated at $38 million as of December 31, 2023. During the first quarter of 2024, the FDIC increased the estimated assessed losses to $20.4 billion. As a result, we increased our special assessment estimate by $10 million during the three months ended March 31, 2024, to a total of $48 million at March 31, 2024.

Funding Sources

The following table summarizes our sources of funding and the amount outstanding under each category for the periods shown.

($ in millions)	March 31, 2024 On-balance-sheet funding	March 31, 2024 % Share of funding	December 31, 2023 On-balance-sheet funding	December 31, 2023 % Share of funding
Deposits	$ 155,084	90	$ 154,666	88
Debt				
Secured financings	6,449	4	10,443	6
Institutional term debt	9,832	6	9,815	6
Retail term notes	730	—	609	—
Total debt (a)	17,011	10	20,867	12
Total on-balance-sheet funding	$ 172,095	100	$ 175,533	100

(a) Includes hedge basis adjustments as described in Note 19 to the Condensed Consolidated Financial Statements.

Refer to Note 13 to the Condensed Consolidated Financial Statements for a summary of the scheduled maturity of long-term debt at March 31, 2024.

Deposits

Ally Bank is a digital direct bank with no branch network that obtains retail deposits directly from customers. We offer competitive rates and fees on a full spectrum of retail deposit products, including savings accounts, money-market demand accounts, CDs, interest-bearing spending accounts, trust accounts, and IRAs. Our primary funding source is retail deposits, which we believe, at scale, are the most efficient and stable source of funding for us when compared to other funding sources. Retail deposits constituted 84% of our total funding sources at March 31, 2024. Total deposits, which include brokered deposits obtained through third-party intermediaries, constituted 90% of total on-balance-sheet funding at March 31, 2024.

Total uninsured deposits as calculated per regulatory guidance includes affiliate and intercompany deposits, which we believe have different risk profiles than other uninsured deposits. The amounts presented below remove affiliate and intercompany deposits from total uninsured deposits. We believe that the presentation of uninsured deposits adjusted for the impact of the affiliate deposits provides enhanced clarity of uninsured deposits at risk.

($ in millions)	March 31, 2024 Amount	March 31, 2024 Percentage of total deposits	December 31, 2023 Amount	December 31, 2023 Percentage of total deposits
Uninsured deposits				
Total uninsured deposits, as calculated per regulatory guidelines	$ 16,868	11 %	$ 16,895	11 %
Less: Affiliate and intercompany deposits	5,012	3 %	5,313	4 %
Total uninsured deposits, excluding affiliate and intercompany deposits	$ 11,856	8 %	$ 11,582	7 %

The following table shows Ally Bank’s total primary retail deposit customers and deposit balances as of the end of each of the last five quarters.

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total primary retail deposit customers *(in thousands)*	**3,144**	3,040	2,989	2,894	2,808
Deposits *($ in millions)*					
Retail	**$ 145,147**	$ 142,265	$ 140,100	$ 138,983	$ 138,497
Brokered	**8,495**	11,000	11,264	13,677	13,801
Other (a)	**1,442**	1,401	1,471	1,650	1,715
Total deposits	**$ 155,084**	$ 154,666	$ 152,835	$ 154,310	$ 154,013

(a) Other deposits include mortgage escrow deposits. Other deposits also include a deposit related to Ally Invest customer cash balances deposited at Ally Bank by a third party of $1.3 billion as of each of the periods ended March 31, 2024, December 31, 2023, and September 30, 2023, and $1.5 billion as of both June 30, 2023, and March 31, 2023.

During the three months ended March 31, 2024, our total deposit base increased $418 million, and we added approximately 103,000 retail deposit customers, ending with over 3.1 million retail deposit customers as of March 31, 2024. Total retail deposits increased $2.9 billion during the three months ended March 31, 2024, bringing the total retail deposits portfolio to $145.1 billion as of March 31, 2024, primarily driven by an increase in retail deposit customers. During the first quarter of 2024, we proactively implemented pricing actions to reduce rates paid on several of our key deposit product offerings; and in April 2024, we took additional actions to further reduce rates. We maintain a relentless focus on customer experience and consistently competitive rates. Brokered deposits decreased $2.5 billion during the three months ended March 31, 2024. During the three months ended March 31, 2024, our CD deposit liabilities decreased $4.1 billion while our savings, money market, and spending account deposit liabilities increased $4.5 billion. This trend was primarily due to customer migration to liquid savings as fixed-rate CD maturities occurred during the three months ended March 31, 2024. Overall, strong customer acquisition and retention rates continue to deliver a favorable funding mix. We expect deposit balances will decline in the second quarter of 2024 as we typically see outflows from existing customers related to tax payments.

Following the failures of SVB and Signature, we briefly experienced elevated two-way deposit flows. Uninsured deposit outflows were more than offset by inflows from new and existing customers. Approximately 92% of retail deposits at Ally Bank, excluding affiliate and intercompany deposits, were FDIC-insured as of March 31, 2024. Our total available liquidity exceeded our uninsured retail deposit liabilities by $56.5 billion as of March 31, 2024.

We continue to advance our digital capabilities and deliver incremental value to our retail deposit customers beyond competitive rates and low fees. Notably, our digital tools (e.g. Savings & Spend Buckets) improve the digital banking experience across the entire customer journey, and additional account features like CoverDraft and early direct deposit further bolster our “Do It Right” commitment for our customers.

We continue to be recognized for the totality of experience and value we provide our customers. For the second consecutive year, BuySide named Ally as the “Best Online Bank”. Additionally, MONEY® Magazine named Ally to its “Best Online Bank” list for the seventh consecutive year, as well as the twelfth time in the past fourteen years. Most recently, Ally has been recognized on Fortune Recommends “Best Online Banks” list for 2024 in addition to being named “Best Bank” and “Best Bank for CDs” by Nerdwallet. Bankrate also named Ally as “Best Bank Overall”, “Best Online Bank”, “Best CD”, and “Best Checking Account”. For additional information on our deposit funding by type, refer to Note 12 to the Condensed Consolidated Financial Statements.

Securitizations and Secured Financings

In addition to building a larger deposit base in recent years, we maintain a presence in the securitization markets to finance our automotive loan portfolios. Securitizations and secured funding transactions, collectively referred to as securitization transactions due to their similarities, allow us to convert our automotive-finance receivables into cash earlier than what would have occurred in the normal course of business. For additional details surrounding our securitization activities, refer to the section titled *Liquidity Management, Funding, and Regulatory Capital* in our 2023 Annual Report on Form 10-K.

These securitization transactions may meet the criteria to be accounted for as off-balance-sheet securitization transactions if we do not hold a potentially significant economic interest or do not provide servicing or asset management functions for the financial assets held by the securitization entity. Our securitization transactions may not meet the required criteria to be accounted for as off-balance-sheet securitization transactions; therefore, they are accounted for as secured borrowings. For information regarding our off-balance sheet arrangements and securitization activities, refer to Note 1 and Note 10 to the Consolidated Financial Statements.

During the three months ended March 31, 2024, we raised $1.1 billion through the completion of a term securitization transaction backed by consumer automotive loans. As a result of the sale, we deconsolidated $1.1 billion of consumer automotive loans from our Condensed Consolidated Balance Sheet. In connection with this transaction, we reduced our allowance for loan losses by approximately $15 million through provision for credit losses, and recognized no additional gain or loss on the sale.

We have access to funding through advances with the FHLB. These advances are primarily secured by consumer and commercial mortgage finance receivables and loans and investment securities. As of March 31, 2024, we had pledged $27.6 billion of assets to the FHLB resulting in $18.9 billion in total funding capacity with $5.1 billion of debt outstanding.

At March 31, 2024, $67.5 billion of our total assets were restricted as collateral for the payment of debt obligations accounted for as secured borrowings. Refer to Note 13 to the Condensed Consolidated Financial Statements for further discussion.

Unsecured Financings

We have long-term unsecured debt outstanding from retail term note programs. These programs are composed of callable fixed-rate instruments with fixed maturity dates. There were $730 million of retail term notes outstanding at March 31, 2024. Refer to Note 13 to the Condensed Consolidated Financial Statements for additional information about our outstanding long-term unsecured debt.

Other Secured and Unsecured Short-term Borrowings

We have access to repurchase agreements. A repurchase agreement is a transaction in which the firm sells financial instruments to a buyer, typically in exchange for cash, and simultaneously enters into an agreement to repurchase the same or substantially the same financial instruments from the buyer at a stated price plus accrued interest at a future date. The securities sold in repurchase agreements include U.S. government and federal agency obligations. As of March 31, 2024, we had no debt outstanding under repurchase agreements.

Additionally, we have access to the FRB Discount Window and can borrow funds to meet short-term liquidity demands. The FRB, however, is not a primary source of funding for day-to-day business. Instead, it is a liquidity source that can be accessed in stressed environments or periods of market disruption. As of March 31, 2024, we had assets pledged and restricted as collateral to the FRB totaling $33.9 billion, resulting in $26.3 billion in total funding capacity with no debt outstanding.

Guaranteed Securities

Certain senior notes (collectively, the Guaranteed Notes) issued by Ally Financial Inc. (referred to within this section as the Parent) are unconditionally guaranteed on a joint and several basis by IB Finance, a subsidiary of the Parent and the direct parent of Ally Bank, and Ally US LLC, a subsidiary of the Parent (together, the Guarantors, and the guarantee provided by each such Guarantor, the Note Guarantees). The Guarantors are primary obligors with respect to payment when due, whether at maturity, by acceleration or otherwise, of all payment obligations of the Parent in respect of the Guaranteed Notes pursuant to the terms of the applicable indenture. At both March 31, 2024, and December 31, 2023, the outstanding principal balance of the Guaranteed Notes was $2.0 billion, with the last scheduled maturity to take place in 2031.

The Note Guarantees rank equally in right of payment with the applicable Guarantor’s existing and future unsubordinated unsecured indebtedness and are subordinate to any secured indebtedness of the applicable Guarantor to the extent of the value of the assets securing such indebtedness. The Note Guarantees are structurally subordinate to indebtedness and other liabilities (including trade payables and lease obligations, and in the case of Ally Bank, its deposits) of any nonguarantor subsidiaries of the applicable Guarantor to the extent of the value of the assets of such subsidiaries.

The Note Guarantees and all other obligations of the Guarantors will terminate and be of no further force or effect (i) upon a permissible sale, disposition, or other transfer (including through merger or consolidation) of a majority of the equity interests (including any sale, disposition or other transfer following which the applicable Guarantor is no longer a subsidiary of the Parent), of the applicable Guarantor, or (ii) upon the discharge of the Parent’s obligations related to the Guaranteed Notes.

The following tables present summarized financial data for the Parent and the Guarantors on a combined basis. The Guarantors, both of which the Parent is deemed to possess control over, are fully consolidated after eliminating intercompany balances and transactions. Summarized financial data for nonguarantor subsidiaries is excluded.

	Three months ended March 31,	
($ in millions)	**2024**	2023
Net financing loss and other interest income (a)	**$ (215)**	$ (228)
Dividends from bank subsidiaries	**—**	100
Total other revenue	**36**	38
Total net revenue	**(179)**	(90)
Provision for credit losses	**4**	(9)
Total noninterest expense	**137**	136
Loss from continuing operations before income tax benefit	**(320)**	(217)
Income tax benefit from continuing operations (b)	**(70)**	(71)
Net loss from continuing operations	**(250)**	(146)
Loss from discontinued operations, net of tax	**—**	(1)
Net loss (c)	**$ (250)**	$ (147)

(a) Net financing loss and other interest income is primarily driven by interest expense on long-term debt.
(b) There is a significant variation in the customary relationship between pretax income and income tax benefit due to our accounting policy elections and consolidated tax adjustments. The income tax benefit excludes tax effects on dividends from subsidiaries.
(c) Excludes the Parent’s and Guarantors’ share of income of all nonguarantor subsidiaries.

($ in millions)	**March 31, 2024**	December 31, 2023
Total assets (a)	**$ 7,306**	$ 7,242
Total liabilities	**$ 12,073**	$ 11,671

(a) Excludes investments in all nonguarantor subsidiaries.

Cash Flows

The following summarizes the activity reflected in the Condensed Consolidated Statement of Cash Flows. While this information may be helpful to highlight certain macro trends and business strategies, the cash flow analysis may not be as helpful when analyzing changes in our net earnings and net assets. We believe that in addition to the traditional cash flow analysis, the discussion related to liquidity, dividends, and ALM herein may provide more useful context in evaluating our liquidity position and related activity.

Net cash provided by operating activities was $1.3 billion and $1.4 billion for the three months ended March 31, 2024, and 2023, respectively. The change was primarily due to a $162 million decrease in net income. Refer to the *Consolidated Results of Operation*s section of this MD&A for further discussion.

Net cash provided by investing activities was $3.5 billion for the three months ended March 31, 2024, and net cash used in investing activities was $382 million for the three months ended March 31, 2023. The change was primarily due to a $1.9 billion increase in net cash inflows related to proceeds from the sale of Ally Lending and a $1.8 billion increase in net cash inflows related to loans held-for-investment activity.

Net cash used in financing activities for the three months ended March 31, 2024, was $3.6 billion, and net cash provided by financing activities was $3.3 billion for the same period in 2023. The change was primarily attributable to a decrease in proceeds from issuance of long-term debt of $3.0 billion, an increase in net cash outflows of $2.4 billion from short-term borrowings, and a decrease in net cash inflows of $1.3 billion from deposits.

Capital Planning and Stress Tests

Under the Tailoring Rules, we are generally subject to supervisory stress testing on a two-year cycle and exempted from mandated company-run capital stress testing requirements. We are also required to submit an annual capital plan to the FRB. Our annual capital plan must include an assessment of our expected uses and sources of capital and a description of all planned capital actions over a nine-quarter planning horizon, including any issuance of a debt or equity capital instrument, any dividend or other capital distribution, and any similar action that the FRB determines could have an impact on our capital. The plan must also include a detailed description of our process for assessing capital adequacy, including a discussion of how we, under expected and stressful conditions, will maintain capital commensurate with our risks and above the minimum regulatory capital ratios, will serve as a source of strength to Ally Bank, and will maintain sufficient capital to continue our operations by maintaining ready access to funding, meeting our obligations to creditors and other counterparties, and continuing to serve as a credit intermediary.

The Tailoring Rules align capital planning, supervisory stress testing, and stress capital buffer requirements for large banking organizations, like Ally. As a Category IV firm, Ally is expected to have the ability to elect to participate in the supervisory stress test—and receive a correspondingly updated stress capital buffer requirement—in a year in which Ally would not generally be subject to the supervisory stress test. Refer to the section titled *Basel Capital Framework* in Note 18 to the Condensed Consolidated Financial Statements for further discussion about our stress capital buffer requirements. During a year in which Ally does not undergo a supervisory stress test, we would receive an updated stress capital buffer requirement only to reflect our updated planned common-stock dividends. Ally was subject to the 2022 supervisory stress test and did not elect to participate in the 2023 supervisory stress test.

We received an updated preliminary stress capital buffer requirement based on our 2022 capital plan submission from the FRB in June 2022, which was determined to be 2.5% and reflected a decline of 100 basis points relative to our prior requirement. The updated 2.5% stress capital buffer requirement was finalized in August 2022 and became effective on October 1, 2022. In February 2023, we accessed the unsecured debt capital markets and issued $500 million of additional subordinated notes, which qualify as Tier 2 capital for Ally under U.S. Basel III. We submitted our 2023 capital plan to the FRB on April 5, 2023, and received an updated preliminary stress capital buffer requirement in June 2023 that remained unchanged at 2.5%. The 2.5% stress capital buffer requirement was finalized in July 2023 and became effective on October 1, 2023. We submitted our 2024 capital plan to the FRB on April 5, 2024.

Our ability to make capital distributions, including our ability to pay dividends or repurchase shares of our common stock, will continue to be subject to the FRB’s review and our internal governance requirements, including approval by our Board. The amount and size of any future dividends and share repurchases also will be subject to various factors, including Ally’s capital and liquidity positions, accounting and regulatory considerations (including any restrictions that may be imposed by the FRB and any changes to capital, liquidity, and other regulatory requirements that may be proposed or adopted by the U.S. banking agencies), the taxation of share repurchases, financial and operational performance, alternative uses of capital, common-stock price, and general market conditions, and may be extended, modified, or discontinued at any time.

Regulatory Capital

We became subject to U.S. Basel III on January 1, 2015, although a number of its provisions—including capital buffers and certain regulatory capital deductions—were subject to phase-in periods. For further information on U.S. Basel III, refer to Note 18 to the Condensed Consolidated Financial Statements. The following table presents selected regulatory capital data under U.S Basel III.

	March 31,	
($ in millions)	**2024**	2023
Common Equity Tier 1 capital ratio	**9.41 %**	9.23 %
Tier 1 capital ratio	**10.84 %**	10.66 %
Total capital ratio	**12.51 %**	12.46 %
Tier 1 leverage ratio (to adjusted quarterly average assets) (a)	**8.63 %**	8.54 %
Total equity	**$ 13,657**	$ 13,378
CECL phase-in adjustment (b)	**296**	591
Preferred stock (c)	**(2,324)**	(2,324)
Goodwill and certain other intangibles	**(720)**	(895)
Deferred tax assets arising from net operating loss and tax credit carryforwards (d)	**(13)**	(4)
AOCI-related adjustments (e)	**4,009**	3,794
Common Equity Tier 1 capital	**14,905**	14,540
Preferred stock (c)	**2,324**	2,324
Other adjustments	**(58)**	(61)
Tier 1 capital	**17,171**	16,803
Qualifying subordinated debt and other instruments qualifying as Tier 2	**695**	901
Qualifying allowance for loan losses and other adjustments	**1,936**	1,922
Total capital	**$ 19,802**	$ 19,626
Risk-weighted assets (f)	**$ 158,348**	$ 157,573

(a) Tier 1 leverage ratio equals Tier 1 capital divided by adjusted quarterly average total assets, which both reflect adjustments for disallowed goodwill, certain intangible assets, and disallowed deferred tax assets.
(b) We elected to delay recognizing the estimated impact of CECL on regulatory capital until after a two-year deferral period, which for us extended through December 31, 2021. Beginning on January 1, 2022, we phased in 25% of the previously deferred estimated capital impact of CECL, with an additional 25% to be phased in at the beginning of each subsequent year until fully phased in by the first quarter of 2025. Refer to Note 18 to the Condensed Consolidated Financial Statements for further information.
(c) Refer to Note 15 to the Condensed Consolidated Financial Statements for additional details about our non-cumulative perpetual preferred stock.
(d) Contains deferred tax assets required to be deducted from capital under U.S. Basel III.
(e) Comprises adjustments related to our accumulated other comprehensive income opt-out election, which allows us to exclude most elements of accumulated other comprehensive income from regulatory capital.
(f) Risk-weighted assets are defined by regulation and are generally determined by allocating assets and specified off-balance sheet exposures to various risk categories.

Credit Ratings

The cost and availability of unsecured financing are influenced by credit ratings, which are intended to be an indicator of the creditworthiness of a particular company, security, or obligation. Lower ratings result in higher borrowing costs and reduced access to capital markets. This is particularly true for certain institutional investors whose investment guidelines require investment-grade ratings on term debt and the two highest rating categories for short-term debt (particularly money-market investors).

Nationally recognized statistical rating organizations rate substantially all our debt. The following table summarizes our current ratings and outlook by the respective nationally recognized rating agencies.

Rating agency	Short-term	Senior unsecured debt	Outlook
Fitch (a)	F3	BBB-	Stable
Moody’s (b)	P-3	Baa3	Negative
S&P (c)	A-3	BBB-	Stable
DBRS (d)	R-2 (high)	BBB	Stable

(a) Fitch affirmed our senior unsecured debt rating of BBB-, short-term rating of F3, and affirmed the outlook of Stable on March 8, 2024.
(b) Moody’s affirmed our senior unsecured rating of Baa3, affirmed our short-term rating of P-3, and changed our outlook to Negative from Stable on August 7, 2023.
(c) Standard & Poor’s affirmed our senior unsecured debt rating of BBB-, affirmed our short-term rating of A-3, and changed the outlook to Stable from Negative on March 25, 2021.
(d) DBRS affirmed our senior unsecured debt rating of BBB, affirmed our short-term rating of R-2 (high), and affirmed the outlook of Stable on February 15, 2024.

As illustrated by the issuer ratings above, as of March 31, 2024, Ally holds an investment-grade rating from all the respective nationally recognized rating agencies.

Rating agencies indicate that they base their ratings on many quantitative and qualitative factors, which may include capital adequacy, liquidity, asset quality, business mix, level and quality of earnings, and the current operating, legislative, and regulatory environment. Rating agencies themselves could make or be required to make substantial changes to their ratings policies and practices—particularly in response to legislative and regulatory changes. Potential changes in rating methodology, as well as in the legislative and regulatory environment, and the timing of those changes could impact our ratings, which as noted above could increase our borrowing costs and reduce our access to capital.

A credit rating is not a recommendation to buy, sell, or hold securities, and the ratings are subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

Critical Accounting Estimates

We identified critical accounting estimates that, as a result of judgments, uncertainties, uniqueness, and complexities of the underlying accounting standards and operations involved could result in material changes to our financial condition, results of operations, or cash flows under different conditions or using different assumptions.

Our most critical accounting estimates are as follows:

- Allowance for loan losses
- Valuation of automotive lease assets and residuals
- Fair value of financial instruments
- Determination of provision for income taxes

We did not substantively change any material aspect of our methodologies and processes used in developing any of the estimates described above from what was described in the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

Refer to Note 1 to the Condensed Consolidated Financial Statements for further discussion regarding the methodology used in calculating the provision for income taxes for interim financial reporting.

Statistical Table

The accompanying supplemental information should be read in conjunction with the more detailed information, including our Condensed Consolidated Financial Statements and the notes thereto, which appears elsewhere in this Quarterly Report.

Net Interest Margin Table

The following tables present an analysis of net yield on interest-earning assets (or net interest margin) for the periods shown.

	2024			2023			**Increase (decrease) due to**		
Three months ended March 31, *($ in millions)*	**Average balance (a)**	**Interest income/interest expense**	**Yield/rate**	Average balance (a)	Interest income/interest expense	Yield/rate	**Volume**	**Yield/rate**	**Total**
Assets									
Interest-bearing cash and cash equivalents	**$ 7,709**	**$ 97**	**5.04 %**	$ 5,731	$ 56	3.95 %	**$ 19**	**$ 22**	**$ 41**
Investment securities (b)	**29,266**	**255**	**3.51**	31,503	226	2.92	**(16)**	**45**	**29**
Loans held-for-sale, net	**382**	**8**	**9.13**	738	15	8.01	**(7)**	**—**	**(7)**
Finance receivables and loans, net (b) (c)	**138,671**	**2,827**	**8.20**	135,819	2,575	7.69	**54**	**198**	**252**
Investment in operating leases, net (d)	**8,955**	**152**	**6.85**	10,435	176	6.84	**(25)**	**1**	**(24)**
Other earning assets	**673**	**11**	**6.48**	665	12	7.19	**—**	**(1)**	**(1)**
Earning assets of operations held-for-sale (e)	**1,274**	**28**	**8.77**	—	—	—	**28**	**—**	**28**
Total interest-earning assets	**186,930**	**3,378**	**7.27**	184,891	3,060	6.71			**318**
Noninterest-bearing cash and cash equivalents	**309**			333					
Other assets	**11,443**			10,817					
Allowance for loan losses	**(3,589)**			(3,729)					
Total assets	**$ 195,093**			$ 192,312					
Liabilities and equity									
Interest-bearing deposit liabilities (b)	**$ 155,203**	**$ 1,651**	**4.28 %**	$ 152,573	$ 1,217	3.23 %	**$ 21**	**$ 413**	**$ 434**
Short-term borrowings	**1,726**	**23**	**5.19**	1,024	12	5.46	**8**	**3**	**11**
Long-term debt	**17,309**	**248**	**5.78**	18,389	227	5.01	**(13)**	**34**	**21**
Total interest-bearing liabilities	**174,238**	**1,922**	**4.44**	171,986	1,456	3.44			**466**
Noninterest-bearing deposit liabilities	**149**			179					
Total funding sources	**174,387**	**1,922**	**4.44**	172,165	1,456	3.44			
Other liabilities (f)	**7,021**	**n/m**	**n/m**	6,662	2	n/m	**n/m**	**n/m**	**(2)**
Total liabilities	**181,408**			178,827					
Total equity	**13,685**			13,485					
Total liabilities and equity	**$ 195,093**			$ 192,312					
Net financing revenue and other interest income		**$ 1,456**			$ 1,602				**$ (146)**
Net interest spread (g)			**2.83 %**			3.27 %			
Net yield on interest-earning assets (h)			**3.13 %**			3.51 %			

n/m = not meaningful

(a) Average balances are calculated using an average daily balance methodology.
(b) Includes the effects of derivative financial instruments designated as hedges. Refer to Note 19 to the Condensed Consolidated Financial Statements for further information about the effects of our hedging activities.
(c) Nonperforming finance receivables and loans are included in the average balances. For information on our accounting policies regarding nonperforming status, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.
(d) Yield includes gains on the sale of off-lease vehicles of $46 million and $47 million for the three months ended March 31, 2024, and 2023, respectively. Excluding the loss or gain on sale, the annualized yield was 4.80% and 5.03% for the three months ended March 31, 2024, and 2023, respectively.
(e) Includes average balances of Ally Lending earning assets prior to the completion of the sale on March 1, 2024, which were transferred to assets of operations held-for-sale at December 31, 2023. Refer to Note 2 to the Condensed Consolidated Financial Statements
(f) Represents interest expense on tax liabilities included in other liabilities on the Condensed Consolidated Balance Sheet. The interest expense on tax liabilities is included in the net yield on interest-earning assets and excluded from the interest spread. For more information on our accounting policies regarding income taxes, refer to Note 1 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.
(g) Net interest spread represents the difference between the rate on total interest-earning assets and the rate on total interest-bearing liabilities.
(h) Net yield on interest-earning assets represents annualized net financing revenue and other interest income as a percentage of total interest-earning assets.

Recently Issued Accounting Standards

Refer to Note 1 to the Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Refer to the Market Risk section of Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), designed to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized, and reported within the specified time periods. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), to allow for timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of internal control including the possibility of human error or the circumvention or overriding of controls through individual actions or collusion. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met.

As of the end of the period covered by this report, our Principal Executive Officer and Principal Financial Officer evaluated, with the participation of our management, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) and concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

In the normal course of business, we review our controls and procedures and make enhancements or modifications intended to support the quality of our financial reporting. There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2024, that have materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

Item 1. Legal Proceedings

Refer to Note 24 to the Condensed Consolidated Financial Statements (incorporated herein by reference) for a discussion related to our legal proceedings, which supplements the discussion of legal proceedings set forth in Note 29 to the Consolidated Financial Statements in our 2023 Annual Report on Form 10-K.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors described in our 2023 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not have any unregistered sales of equity securities during the three months ended March 31, 2024.

Purchases of Equity Securities by the Issuer

The following table presents repurchases of our common stock, by month, for the three months ended March 31, 2024.

Three months ended March 31, 2024	**Total number of shares repurchased (a)** *(in thousands)*	**Weighted-average price paid per share (a)** *(in dollars)*
January 2024	—	$ —
February 2024	**773**	**37.62**
March 2024	**8**	**37.62**
Total	**781**	**37.62**

(a) Consists of common stock withheld to cover income taxes owed by participants in our share-based incentive plans.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

(c) Director or Executive Officer Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2024, none of our directors or executive officers, as defined in Rule 16a-1 under the Exchange Act, adopted, terminated, or modified a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as such terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits listed on the following index of exhibits are filed as a part of this report.

Exhibit	Description	Method of Filing
10.1	Ally Financial Inc. Severance Plan, Plan Document and Summary Plan Description	Filed herewith.
22.1	Subsidiary Guarantors	Filed as Exhibit 22 to the Company's Quarterly Report for the period ended March 31, 2020, on Form 10-Q (File No. 1-3754), incorporated herein by reference.
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350	Filed herewith.
101	The following information from our Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Statement of Comprehensive (Loss) Income (unaudited), (ii) Condensed Consolidated Balance Sheet (unaudited), (iii) Condensed Consolidated Statement of Changes in Equity (unaudited), (iv) Condensed Consolidated Statement of Cash Flows (unaudited), and (v) the Notes to the Condensed Consolidated Financial Statements (unaudited)	Filed herewith.
104	The cover page of our Form 10-Q for the quarter ended March 31, 2024, (formatted in Inline XBRL and contained in Exhibit 101)	Filed herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized, this 6th day of May, 2024.

Ally Financial Inc.
(Registrant)

/S/ RUSSELL E. HUTCHINSON

Russell E. Hutchinson
Chief Financial Officer

/S/ DAVID J. DEBRUNNER

David J. DeBrunner
Vice President, Controller, and Chief Accounting Officer

ALLY FINANCIAL INC. SEVERANCE PLAN

PLAN DOCUMENT

AND

SUMMARY PLAN DESCRIPTION

As Amended and Re-Stated January 1, 2024

PLAN NAME: Ally Financial Inc. Severance Plan

PLAN SPONSOR: Ally Financial Inc.

PLAN EFFECTIVE DATE: As amended and restated, January 1, 2024

PLAN NUMBER 535

PLAN ADMINISTRATOR Ally Financial Inc.

Ally Financial Inc. (“Ally” or “Company”), a Delaware corporation, established for its eligible employees a plan providing severance benefits.

The Ally Financial Inc. Severance Plan (the “Plan”) is effective as amended as of January 1, 2024. This document contains certain definitions and general administrative provisions that govern the administration of the benefits provided under the Plan. This document and the appendix referenced and incorporated herein constitute the Plan as if fully recited over the signature affixed below.

This document and the appendix may change from time to time, in the sole discretion of the Company. The consent of any Covered Person or any other persons entitled to receive payment of benefits under the Plan is not required.

IN WITNESS WHEREOF, this Plan has been adopted as restated by Ally Financial Inc. on this 27 day of Feb, 2024, effective as of January 1, 2024.

SIGNED BY:

/S/ Michael Anzalone
Michael Anzalone
Senior Director, Employee Benefits

ALLY FINANCIAL INC. SEVERANCE PLAN

ALLY FINANCIAL INC. SEVERANCE PLAN

TABLE OF CONTENTS

ALLY FINANCIAL INC. SEVERANCE PLAN
PLAN DOCUMENT AND SUMMARY PLAN DESCRIPTION

This is the plan document and Summary Plan Description ("**SPD**") for the Ally Financial Inc. Severance Plan (the "**Plan**"). Ally Financial Inc. (the "**Company**") is the Plan sponsor. The Company originally adopted the Plan effective January 1, 2009, and has since amended it from time to time. The Plan is intended to be an employee welfare benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations promulgated thereunder ("**ERISA**"). As SPD, the purpose of this document is to explain and provide information regarding the Plan. You should read it carefully.

I. PURPOSE OF THE PLAN

The Plan is intended to provide financial and other benefits to Participants (defined in Section II below) in the event of certain terminations of employment. Severance payments are not to be viewed as automatic and are not compensation for past services, but instead are intended only as prospective payments that will be offered under the circumstances set forth in the Plan. This Plan replaces and supersedes all other plans, programs, policies, agreements, or arrangements of the Company (other than individual employment agreements) in which any employee was eligible or entitled to participate prior to January 1, 2009.

II. ELIGIBILITY AND PARTICIPATION

A. All United States employees of the Company or any Affiliate participate in the Plan ("**Participant(s)**"). However, the level of participation is determined on an individual basis based on a Participant's level of responsibility within the Company or Affiliate and as described in sub-section B and C below. "**Affiliate**" means (i) any entity that owns or controls, is owned or controlled by, or is under common control with the Company and (ii) any entity in which the Company directly or indirectly has a significant equity interest.

B. Employees who did not participate in the Company's Long-Term Equity Compensation Incentive Plan[1] ("**LTECIP**") or Band 2 and Band 3 Employees whose **LTECIP** participation was the result of an RSU award issued after December 31, 2011, will participate in this Plan at Benefit Level I described herein and be referred to as "**Level I Participants**".

C. Band 2 Employees who participated in the LTECIP by virtue of an RSU award issued prior to January 1, 2012, or who were hired with eligibility for Ally Supplemental Benefits prior to January 1, 2012, and all Band 1 Employees with the

---

[1] As of April 9, 2014, the LTECIP was replaced by the Ally Financial Inc. 2014 Incentive Compensation Plan which was subsequently restated as the Ally Financial Inc. Incentive Compensation Plan. These changes did not alter the Plan's eligibility requirements.

exception of the Chief Executive Officer of Ally Financial Inc. ("**CEO**") and the Purview Executives (designated as such from time to time by the Compensation, Nominating, and Governance Committee of the Company's Board of Directors) will participate in this Plan at Benefit Level II described herein and be referred to as "**Level II Participants**"; provided, however, that persons who participate in the LTECIP solely as the result of receiving a Key Contributor Share Unit award (a "**KCSU**") are not Level II Participants. KCSU recipients will participate in the Plan at Benefit Level I described herein and remain Level I Participants regardless of whether they received the KCSUs under the LTECIP or the Ally Financial Inc. 2014 Incentive Compensation Plan.

D. The CEO and Purview Executives will participate in this Plan at Benefit Level III described herein and be referred to as "**Level III Participants**".

III. QUALIFYING TERMINATIONS OF EMPLOYMENT

A. Plan benefits are payable only upon a "Qualifying Termination of Employment," which means a termination of employment initiated by the Company as a result of any of the following:

1. Elimination of Participant's current position, termination associated with the reduction in the total number of employees in the same department performing the same or similar job as Participant, or termination associated with a restructuring of different departments which results in a reduction in the total number of employees, including Participant, in the affected departments;

2. Substantial change in current duties for which the Participant no longer qualifies;

3. Substantial change in current duties which results in a twenty percent (20%) or more reduction in salary; or

4. Declining a geographic transfer of the Participant's current position in connection with the elimination of the Participant's current position to a new position at a location more than 50 miles from the location of Participant's current position, regardless of whether the Participant was offered reimbursement of relocation expenses.

B. Plan benefits are not payable for a termination of employment that is not a Qualifying Termination of Employment, including but not limited to:

1. Loss of temporary employment;

2. Termination of employment where an employment or other written agreement provides for severance;

3. Death;

4. Disability;

5. Involuntary termination for cause as determined by the Company in its sole discretion;

6. Resignation;

7. Retirement;

8. An approved leave of absence or failure to return therefrom;

9. Transfers from the Company to an Affiliate;

10. The majority of the Company's assets are sold via an asset purchase agreement or the Company ceases an operation and the same is assumed by another employer and continued employment is offered with a comparable salary and incentive opportunity (including equity compensation) equal to or greater than 80% of the Participant's current compensation and incentive package with the Company; or

11. A termination of employment for which a Participant has executed a release document or has received payment or benefits pursuant to the terms of any other agreement.

C. Plan benefits ("**Severance Pay**" and "**Outplacement**" as described below) will not be paid unless and until the Participant signs and does not revoke a release document(s) in a form(s) satisfactory to, approved by, and provided by the Company. These documents may be changed from time to time as determined solely by the Company.

IV. PLAN BENEFITS

A. Level I Participants are eligible for the following Severance Pay (with "pay" as referenced below meaning base salary only):

Band 3 and Band 4		Band 2	
Full Years of Unbroken Service	**Weeks of Pay**	**Full Years of Unbroken Service**	**Weeks of Pay**
0 - 4	10	0 - 4	10
5 - 9	13	5 - 9	17
10 - 14	20	10 - 14	24
15 - 19	30	15 - 19	34
20 - 24	40	20 - 24	44
25 and above	52	25 and above	52

B. Level II Participants are eligible for the following Severance Pay (with "pay" as referenced below meaning base salary only):

Full Years of Unbroken Service	Weeks of Pay
0-4	26
5-14	39
15 and above	52

C. Level III Participants are eligible for the following Severance Pay:

1. In the event of a Qualifying Termination of Employment or a Termination of Service without Cause (as defined in the Ally Financial Inc. Incentive Compensation Plan, a "**Termination of Service**" and "**Cause**"), in each case, within the 24-month period immediately following a Change in Control (as defined in the Ally Financial Inc. Incentive Compensation Plan, a "**Change in Control**"):

   - Two times the sum of the Participant's annual base salary and designated annual cash incentive compensation opportunity; and
   - The Participant's pro-rated designated annual cash incentive compensation opportunity for the year of the Participant's termination; and
   - A payment equal to 24 months of medical premiums valued at the Participant's COBRA rate.

2. In the event of a Qualifying Termination of Employment that is not addressed in Paragraph 1:

   - For the CEO, two times annual base salary; and
   - For Purview Executives, one times annual base salary.

D. Any debts or monies a Participant owes to the Company or its subsidiaries or affiliates will be deducted from the Severance Pay amounts described in A, B, or C above for which any Participant is eligible.

E. Outplacement. Each Participant is eligible to receive outplacement benefits following a Qualifying Termination of Employment through an approved vendor, provided that the scope, level, amount, timing, and all other terms and conditions of such outplacement benefits are determined by the Company in its sole discretion and on an individual-by-individual or a group-by-group basis. In addition, outplacement benefits will be tiered based on the Participant's level in the organization, market conditions, and/or geographic area.

V. PARTICIPANT'S OBLIGATIONS

A. Confidentiality. At all times prior to and following the termination date, a Participant may not disclose to anyone or make use of any trade secret or proprietary or confidential information of the Company or any of its Affiliates, including such trade secret or proprietary or confidential information of any customer or client or other entity to which the Company owes an obligation not to disclose such information, which they acquire during their employment with the Company, including records kept in the ordinary course of business, except:

1. as such disclosure or use may be required or appropriate in connection with their work as an employee of the Company; or
2. when required to do so by a court or other governmental authority with apparent jurisdiction to order them to divulge, disclose or make accessible such information, provided, however, that Employee gives prompt notice of such requirement to the Company if legally permissible; or
3. as to such confidential information that becomes generally known to the public or trade without their violation of this covenant; or
4. to the Participant's spouse, attorney, or their personal tax and financial advisors as reasonably necessary or appropriate to advance the Participant's tax, financial, and other personal planning (each an "**Exempt Person**"); provided, however, that any disclosure or use of any trade secret or proprietary or confidential information of the Company by an Exempt Person will be deemed to be a breach of this covenant by the Participant.

Notwithstanding anything contained herein:

5. nothing in this Plan or related release document limits any Participant's ability to initiate communications directly with, responding to any inquiry from, filing a charge with, participating in an investigation conducted by, or providing testimony or other information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission (the "**SEC**"), the Financial Industry Regulatory Authority ("**FINRA**"), The Equal Employment Opportunity Commission ("**EEOC**"), or any other federal, state or local governmental agency or commission ("**Government Agency**") regarding possible legal violations, without disclosure to the Company; provided, however, that Participant must inform any

Government Authority with whom they communicate confidential information that such information is confidential and is not permitted to disclose any information that is protected from disclosure to any third party by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine and the Company does not waive any applicable privileges of the right to continue to protect its privileged information by virtue of this Plan or related release document; and

6. the Company may not retaliate against any Participant for any of these foregoing activities; and
7. nothing in this Plan or any related release document requires any Participant to waive any monetary award or other payment that such Participant might become entitled to from the SEC, FINRA or any other Government Agency except for the EEOC or other Government Agency that permit such waivers to be enforced, it being understood that no Participant is entitled to receive a monetary award or any other form of personal relief from the Company in connection with any such charge or complaint that such Participant files or that is filed on such Participant's behalf if such waiver is legally enforceable.

B. Non-Disparagement. At all times prior to and following the termination date, a Participant may not make any statements or express any views that disparage the business reputation or goodwill of the Company or any of its Affiliates, investors, shareholders, officers, or employees.

C. Return of Company Property. Immediately following the termination date, a Participant must return all Company property in their possession, including but not limited to all computer equipment (hardware and software), telephones, facsimile machines, electronic communication devices, credit cards, office keys, security access cards, badges, identification cards, and all copies (including drafts) of any information (however stored) relating to the business of the Company, its customers or clients, or prospective customers or clients.

D. Cooperation. Following the termination date, a Participant will cooperate willingly, as the Company may reasonably request, including their attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's defense or prosecution of any existing or future claims or litigations or other proceeding relating to matters in which they were involved or potentially had knowledge by virtue of their employment with the Company.

E. Enforcement of Section V.

1. If a Participant materially violates any provision of this Section V, they immediately forfeit any right, title and interest to any Severance

Pay that has not yet been paid and will be required to repay to the Company a cash amount equal to the value of the Severance Pay that they have already received.

2. If a Participant violates or threatens to violate any provisions of Section V, the Company will not have an adequate remedy at law. Accordingly, the Company is entitled to such equitable and injunctive relief, without posting a bond, as may be available to restrain the Participant and any business, firm, partnership, individual, corporation or entity participating in the breach or threatened breach from the violation of the provisions of Section V. Nothing in the Plan may be construed as prohibiting the Company from pursuing any other remedies available at law or in equity for breach or threatened breach of Section V, including the recovery of damages.

3. If the Company is successful in enforcing its rights under this Section V, the affected Participant will reimburse the Company for its legal fees and costs associated with such enforcement action.

VI. TAX MATTERS

A. Withholding Taxes. The Company is entitled to withhold from any and all payments made under the Plan all federal, state, local, or other taxes which the Company determines are required to be so withheld from such payment.

B. Code Sections 409A and 4999. The Plan is not intended to be subject to Code Section 409A. If the benefits payable to any Participant under the Plan would be subject to Code Section 409A unless they are fully paid by the date two and one-half months following the year in which they become vested, then such benefits will in all events be paid by such date. Notwithstanding anything contained in the Plan to the contrary, the Company shall have full authority to operate the Plan and to override or amend any provision in the Plan and any related release document in order for the Plan to be fully complaint, both in form and in operation, with Code Section 409A. Notwithstanding anything to the contrary contained in this Plan or any other plan or agreement, to the extent that the payments and benefits provided under this Plan, together with the payments and benefits provided under any other Company plan or agreement, to or for the benefit of a Participant (such payments or benefits are collectively referred to as the "**Payments**") would be subject to the excise tax (the "**Excise Tax**") imposed under Code Section 4999, the Payments shall be reduced (but not below zero) so that the value of all Payments equals the Participant's "base amount," within the meaning of Code Section 280G(b)(3) and its implementing regulations (the "**Safe Harbor Amount**") minus $1.00, but only if, by reason of such reduction, the Net After-Tax Benefit shall exceed the Net After-Tax Benefit if such reduction were not made (the "**Required Reduction**"). The Net After-Tax Benefit is defined as the present value of the Payments net of all taxes imposed on the Payments under Code Sections 1 and 4999 and under applicable state and local laws. If a reduction is required pursuant to the foregoing, unless the Participant shall have given a prior written notice specifying a different order to the Company to effectuate the reduction in compliance with Code Section 409A, the Company shall reduce or eliminate the Payments by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the relevant change in control date.

C. No Guarantee of Tax Consequences. No person connected with the Plan in any capacity, including but not limited to the Company, any Affiliate, and their directors, officers, agents, and employees, makes any representation, commitment, or guarantee that any tax treatment, including but not limited to federal, state and local income, estate, and gift tax treatment, will be applicable with respect to amounts payable or provided under the Plan, or paid to or for the benefit of a Participant under the Plan, or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

VII. ADMINISTRATION, AMENDMENT AND TERMINATION

A. The Company has and retains the right to interpret, amend, revise, cancel, or terminate the Plan at any time and without prior notice; provided, however, that (i) during the 24-month period immediately following a Change in Control, the Plan may not be amended, revised, cancelled, or terminated if the effect of such action would reduce the rights of any Participant who is a Level III Participant immediately prior to the Change in Control to receive the protections, benefits, and privileges provided to such Level III Participant under the Plan and (ii) no amendment, revision, cancellation, or termination of the Plan may reduce any Participant's benefits to which they have become entitled due to a Qualifying Termination of Employment or a Termination of Service without Cause that has already occurred or is about to occur. No representations by anyone may extend the Plan to provide severance packages or benefits not covered by the Plan.

B. The Company, and such other person(s) or entity(ies) to whom such authority has been delegated as a fiduciary of the Plan, may, in its sole discretion, determine each employee's eligibility for benefits under the Plan, the amount of Severance Pay or other benefits payable under the Plan, and make factual determinations as are required to properly administer the Plan. Such determinations may also be made under the "**Claims Procedure**" (explained below) when the Claims Procedure is applicable.

C. The Company, and such other person(s) or entity(ies) to whom such authority has been delegated as a fiduciary of the Plan, acting under the Claims Procedure or otherwise, has the sole authority and responsibility to interpret or construe the terms and provisions of the Plan in accordance with ERISA.

VIII. CLAIMS PROCEDURE

If you believe that you are entitled to severance benefits, you must make a claim for benefits by following the Claims Procedure set forth in the Appendix to this document.

IX. OTHER INFORMATION

Official Plan Name: Ally Financial Inc. Severance Plan

Name and Address of Employer that Maintains the Plan:

Ally Financial Inc.
500 Woodward Ave.
Detroit, MI 48226

Employer Identification Number of Employer that Maintains the Plan:

38-0572512

Plan Number: 535

Type of Plan: Welfare - Severance

Type of Administration: Self-administered by Ally Financial Inc.

Funding: The Plan is unfunded and uninsured.

Sources of Contributions: The employer, Ally Financial Inc., makes contributions in the amount necessary to pay benefits.

Agent for Service of Legal Process on the Plan and Address at which Process May Be Served:

Ally Financial Inc.
c/o The Corporation Company
30600 Telegraph Road, Suite 2345
Bingham Farms, MI 48025-5720
Toll-free 800-241-6733

Date of the End of the Year for Purposes of Maintaining the Plan's Fiscal Records (that is, the Plan year-end): December 31.

X. STATEMENT OF ERISA RIGHTS

As a Participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Participants are entitled to:

Receive Information about Your Plan and Benefits

- Examine, without charge, at the Plan administrator's office and at other specified locations, such as worksites, all documents governing the Plan, and a copy of the latest annual report (Form 5500 Series), if any, filed by the plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain upon written request to the Plan administrator copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if any, and updated summary Plan description. The Plan administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of

Labor, or you may file a suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan administrator (see Section XI below). If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

XI. QUESTIONS REGARDING THE PLAN

Questions regarding the Plan may be directed to:

Ally Financial Inc.
Attn.: Plan Administrator
500 Woodward Ave.
Detroit, MI 48226

XII. MISCELLANEOUS

A. No Mitigation. A Participant is under no obligation to seek other employment following the termination date and there will be no offset against amounts due to the Participant under the Plan on account of any compensation attributable to any subsequent employment.

B. Offset. Any benefits paid under the Plan will be reduced by any payment or benefit made or provided by the Company or any Affiliate to the Participant pursuant to: (i) any plan, program, policy, or arrangement of the Company or Affiliate that provides a payment upon separation from employment not otherwise referred to in the Plan; (ii) the termination-of-employment provisions of any employment agreement between the Company or any Affiliate and the Participant; or (iii) any federal, state or local statute, rule, regulation, or ordinance.

C. No Right, Title, or Interest in Company Assets. Participants have no right, title, or interest whatsoever in or to any assets of the Company or any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, creates or may be construed to create a trust of any kind or a fiduciary relationship between the Company and any Participant or their beneficiary, legal representative, or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right is no greater than the right of an unsecured general creditor of the Company. Subject to this Section XII, all payments to be made under the Plan will be paid from the general funds of the Company and no special or separate fund will be established and no segregation of assets will be made to assure payment of such amounts.

D. No Right to Continued Employment. A Participant's rights, if any, to continue to serve the Company as an employee are not enlarged or otherwise affected by their designation as a Participant, and the Company or applicable Affiliate reserves the right to terminate the employment of any Participant at any time. The Plan does not give any Participant or any other individual any right to be selected as a Participant or to continued employment with the Company or any Affiliate.

E. Other Rights. The Plan does not affect or impair the rights or obligations of the Company or a Participant under any other written Plan, contract, arrangement, or pension, profit sharing, bonus, equity incentive, or other compensation-providing Plan; provided however, that if any provision of any agreement, plan, program, policy, arrangement, or other written document between or relating to the Company and the Participant conflicts with any provision of the Plan, the provision of the Plan control and prevail.

F. Governing Law. Except as superseded by ERISA or other applicable federal law, the Plan is governed by and construed in accordance with the laws of the State of Michigan without reference to principles of conflict of laws.

G. Severability. If any term or condition of the Plan is deemed by a court of law to be invalid or unenforceable to any extent or in any application, then the remainder of the Plan, with the exception of such invalid or unenforceable provision, will not be affected by such determination and will continue in effect and application to its fullest extent.

H. Executive Compensation Requirements. Awards hereunder may be subject to the requirements of any federal, State or other statute, regulation or other law that may govern executive compensation and apply to the Company. Notwithstanding any provision of the Plan to the contrary, the Company shall have the right to change this Plan or any Award, or interpret their respective provisions, so as to comply with such requirements.

* * * * *

APPENDIX
CLAIMS PROCEDURE

1. A Participant with an interest in the Plan has the right to file a claim for benefits under the Plan and to appeal any denial of a claim for benefits. Any request for a Plan benefit or to clarify the Participant's rights to future benefits under the terms of the Plan will be considered to be a claim; provided, however, this claims procedure does not govern casual inquiries about benefits or the circumstances under which benefits might be paid under the terms of the Plan or a request for a determination regarding eligibility for coverage except such a determination as is requested or necessary in connection with a claim for benefits. Claims must be made, if at all, within 30 days following the expiration of the consideration period provided for in any release document presented to Participant, whether or not Participant executes such document. If no release document has been presented to someone wishing to assert a claim for benefits under the Plan, such claim must be made within 60 days of the date when the entitlement to severance benefits is alleged to have arisen. An authorized representative of the Participant may act on behalf of the Participant in pursuing a benefit claim or appeal of an adverse benefit determination. The individual or individuals responsible for deciding the benefit claim or appeal, as applicable, may require the representative to provide reasonable written proof that the representative has in fact been authorized to act on behalf of the Participant. The Plan requires no fee or other cost for the making of a claim or appealing an adverse benefit determination.

2. A claim for benefits will be considered as having been made when submitted in writing by the Participant to the Plan administrator, in care of:

Ally Financial Inc.
Attn.: Benefits Administrator
500 Woodward Ave.
Detroit, MI 48226

Your claim should include:

- Your name, address, telephone number, and employee identity number;
- Your dates of employment with the Company;
- Your job title and position with the Company;
- The reasons for your termination of employment; and
- A statement of the reasons why you believe you are entitled to benefits under the Plan.

3. The claim reviewer on the benefits staff acting on behalf of the Plan administrator will determine whether, or to what extent, the claim may be allowed or denied

under the terms of the Plan. If the claim is wholly or partially denied, the claim reviewer on the benefits staff will notify the Participant of the adverse benefit determination within a reasonable period of time, but not later than 90 days after the Plan receives the claim, unless the claim reviewer on the benefits staff determines that special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension will be furnished to the Participant prior to the termination of the initial 90-day period. Such extension may not exceed an additional 90 days from the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the final decision. For the purposes of this paragraph 3, the period of time within which a benefit determination is required to be made will begin at the time a claim is filed in accordance with the Plan's filing requirements, without regard to whether all the information necessary to make a benefit determination accompanies the filing.

4. The claim reviewer on the benefits staff will provide the claimant with written or electronic notification of any adverse benefit determination. Any electronic notification shall comply with the standards imposed by 29 CFR § 2520.104b-1(c)(i), (iii) and (iv). The notification will set forth, in a manner calculated to be understood by the claimant:

   - The specific reason(s) for the adverse determination;
   - Reference to the specific Plan provisions on which the determination is based;
   - A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
   - A description of the Plan's appeal (review) procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under ERISA § 502(a) following an adverse benefit determination on appeal.

5. The claimant may appeal an adverse benefit determination to the:
   Ally Financial Inc.
   Attn.: ERISA Appeals Council
   500 Woodward Ave.
   Detroit, MI 48226

   The ERISA Appeals Council will conduct a full and fair review of each appealed claim and its denial. The claimant will have at least 60 days following receipt of a notification of an adverse benefit determination within which to appeal the determination.

6. The appeal of an adverse benefit determination must be made in writing. In connection with making such request, the claimant may submit written comments, documents, records, and other information relating to the claim for benefits. The claimant will be provided, free of charge upon written request, reasonable access to, and copies of, all documents, records and other information relevant (as defined in paragraph (k) below) to the claimant's claim for benefits. In considering the appeal, the ERISA Appeals Council will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in connection with the initial benefit determination.

7. The ERISA Appeals Council will notify the claimant of the determination within a reasonable period of time, but not later than 60 days after receipt of the claimant's appeal. The ERISA Appeals Council may determine that special circumstances (such as the need to hold a hearing) require an extension of time for processing the claim. If the ERISA Appeals Council determines that an extension of time is required, written notice of the extension will be furnished to the claimant prior to the termination of the initial 60-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the appeal reviewer expects to render the determination on appeal.

8. The period of time within which a benefit determination on appeal is required to be made begins when an appeal is filed in accordance with the Plan's appeal filing requirements, without regard to whether all the information necessary to make a benefit determination on appeal accompanies the filing. In the event that a period of time is extended as provided above due to a claimant's failure to submit information necessary to decide an appeal of an adverse benefit determination, the period for making the benefit determination on appeal will be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

9. In the case of an adverse determination on appeal, the ERISA Appeals Council will provide such access to, and copies of, documents, records, and other information described below as is appropriate.

10. The ERISA Appeals Council will provide a claimant with written or electronic notification of the Plan's benefit determination on appeal. Any electronic notification will comply with the standards imposed by 29 CFR § 2520.104b-1(c)(i), (iii) and (iv). In the case of an adverse benefit determination

on appeal, the notification will set forth, in a manner calculated to be understood by the claimant:

- the specific reason(s) for the adverse determination;
- reference to the specific Plan provisions on which the benefit determination is based;
- a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Participant's claim for benefits; and
- a statement of the claimant's right to bring a civil action under ERISA § 502(a).

11. A claimant must exhaust their rights to file a claim and to appeal an adverse benefit determination before bringing any civil action to recover benefits under the Plan, to enforce their rights under the terms of the Plan, or to clarify their rights to future benefits under the terms of the Plan.

12. The ERISA Appeals Council will exercise its responsibilities and authority under this claims procedure as a fiduciary and, in such capacity, will have the discretionary authority and responsibility to interpret and construe the Plan and any rules or regulations under the Plan, determine the eligibility of employees or former employees to participate in the Plan and receive benefits under the Plan, and make factual determinations in connection with any of the foregoing. The ERISA Appeals Council may, in its discretion, determine to hold a hearing or hearings in carrying out their responsibilities and authority under this claims procedure.

13. Benefit claim determinations and decisions on appeals will be made in accordance with the Plan. The Plan's provisions will be applied consistently with respect to similarly situated Participants. The ERISA Appeals Council will maintain complete records of the proceedings in deciding claims and appeals.

14. For the purposes of this claims procedure:

    "Adverse benefit determination" means any of the following: a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of a claimant's eligibility to participate in the Plan; and

    a document, record, or other information is considered "relevant" to a claim if such document, record, or other information was relied upon in making the benefit determination, was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination, or demonstrates compliance with the administrative processes and safeguards required above in making the benefit determination.

Exhibit 31.1

Ally Financial Inc.

I, Michael G. Rhodes, certify that:

1. I have reviewed this report on Form 10-Q of Ally Financial Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/S/ MICHAEL G. RHODES

Michael G. Rhodes
Chief Executive Officer

Exhibit 31.2

Ally Financial Inc.

I, Russell E. Hutchinson, certify that:

1. I have reviewed this report on Form 10-Q of Ally Financial Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/S/ RUSSELL E. HUTCHINSON

Russell E. Hutchinson
Chief Financial Officer

Exhibit 32

Ally Financial Inc.

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350

In connection with the Quarterly Report of Ally Financial Inc. (the Company) on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MICHAEL G. RHODES

Michael G. Rhodes
Chief Executive Officer
May 6, 2024

/S/ RUSSELL E. HUTCHINSON

Russell E. Hutchinson
Chief Financial Officer
May 6, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ally Financial Inc. and will be furnished to the Securities and Exchange Commission or its staff upon request.