



Ally Financial Inc.
Basel III Public Disclosures

As of and for the three months ended March 31, 2026

Road Map

Ally Financial Inc. • Basel III Public Disclosures

References to Ally Financial Inc.'s SEC Filings

The SEC filings of Ally Financial Inc. contain information relevant to the disclosure requirements set forth under U.S. Basel III. The following is a mapping of the disclosure topics addressed within this regulatory disclosure report to the Ally Financial Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2026, and the Annual Report on Form 10-K for the year ended December 31, 2025.

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Index of Defined Terms

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Term	Definition
ALCO	Asset-Liability Committee
Basel Committee	Basel Committee on Banking Supervision
BHC	Bank holding company
BHC Act	Bank Holding Company Act of 1956, as amended
Board	Board of Directors
CECL	Accounting Standards Update 2016-13 (and related Accounting Standards Updates), or current expected credit loss
CFPB	Consumer Financial Protection Bureau
CRA	Community Reinvestment Act of 1977, as amended
CVA	Credit valuation adjustment
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended
DTA	Deferred tax asset
ERM	Enterprise Risk Management
EVE	Economic value of equity
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
GAP	Guaranteed asset protection
GDP	Gross domestic product of the United States of America
GLB Act	Gramm-Leach-Bliley Act of 1999, as amended
HTC	Historic tax credit
IB Finance	IB Finance Holding Company, LLC
LIHTC	Low-income housing tax credit
LTV	Loan-to-value
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
NMTC	New market tax credit
OTC	Over-the-counter
PCA	Prompt corrective action
RC	Risk Committee of the Ally Board of Directors
RWA	Risk-weighted asset
SEC	U.S. Securities and Exchange Commission
SPE	Special-purpose entity
SSFA	Simplified Supervisory Formula Approach
STSA	Enterprise Stress Testing and Scenario Analysis
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
UDFI	Utah Department of Financial Institutions
VIE	Variable interest entity
VSC	Vehicle service contract

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Ally Financial Inc.

Introduction

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 all stakeholders. The Company serves customers with deposits and securities brokerage and investment advisory services as well as automotive financing and insurance offerings. The Company also includes a seasoned 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.

As a BHC, Ally is subject to regulation, supervision and examination by the FRB. Ally must also comply with regulatory risk-based and leverage capital requirements, as well as various safety and soundness standards imposed by the FRB, and is subject to certain statutory restrictions concerning the types of assets or securities it may own and the activities in which it may engage. Ally Bank, our banking subsidiary, is a member of the Federal Reserve System and is subject to regulation, supervision and examination by the FRB, and as a Utah chartered bank, by the UDFI.

In July 2013, the U.S. banking agencies finalized rules implementing the 2010 Basel III capital framework in the United States as well as related provisions of the Dodd-Frank Act, which represented substantial revisions to the prior regulatory capital standards for U.S. banking organizations. These rules have been amended by the U.S. banking agencies from time to time and, collectively with such amendments, are referred to herein as U.S. Basel III. As described below, U.S. Basel III requires qualitative and quantitative disclosures regarding a banking institution's regulatory capital, risk exposures, risk-management practices, and capital adequacy. This report also includes information on the methodologies used to calculate RWAs. The disclosure requirement applies to banking organizations with total consolidated assets of \$50 billion or more that are not a consolidated subsidiary of a BHC that is subject to these disclosure requirements. This report is designed to satisfy these requirements and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025, our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, and our Consolidated Financial Statements for Holding Companies - FR Y-9C for March 31, 2026. The disclosures included in this report are not required to be and have not been audited by our independent auditors.

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. 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 and should consider all risks and uncertainties discussed in this report and those under Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2025. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. 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 SEC filings.

Unless the context otherwise requires, references herein to our income statement mean the Consolidated Statement of Income included in the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025, or the Condensed Consolidated Statement of Comprehensive Income included in the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, as applicable. Unless the context otherwise requires, references herein to our balance sheet mean the Consolidated Balance Sheet included in the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025, or the Condensed Consolidated Balance Sheet included in the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, as applicable.

Basis of Presentation and Consolidation

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.

Refer to Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025, for further information on our basis of presentation and consolidation. There are no significant differences in the basis of consolidation between our Annual Report on Form 10-K for the year ended December 31, 2025, our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, and this report.

Basel Capital Accord

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.

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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 share 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%.

The well-capitalized standard for insured depository institutions, such as Ally Bank, reflects the capital requirements under U.S. Basel III.

Ally and Ally Bank are currently subject to the U.S. Basel III standardized approach for 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.

Under U.S. Basel III, Category I and II firms calculate their risk-weighted assets under two different methodologies—the standardized approach, and the advanced approaches that rely on internal models. These firms are generally bound to the more stringent of the two calculations. Category III and IV firms, and other banking organizations subject to risk-based capital standards apply only the standardized approach under U.S. Basel III. In March 2026, the U.S. banking agencies issued two proposed rules to customize and implement revisions to the global Basel III capital framework that were approved by the Basel Committee in December 2017.

The first proposed rule would replace this dual-stack framework for Category I and II firms with a single, new risk-weighted assets calculation referred to as the expanded risk-based approach. The advanced approaches would be removed from the regulatory capital framework. The standardized approach, as modified by the second proposed rule, would continue to apply to all other firms that are subject to risk-based capital standards. Banking organizations of any size, however, would have the option to elect to use the expanded risk-based approach instead of the revised standardized approach. Relative to the current dual-stack framework, the expanded risk-based approach is a standardized framework intended to promote simplicity, risk sensitivity, transparency, and consistency across the firms to which it would apply. Risk-weighted assets would be assigned to address credit risk, equity risk, operational risk, market risk, and CVA risk. Notably, operational risk capital requirements would be based on a new standardized calculation that would replace the current models-based approach. The proposal would also introduce a new framework for market risk and adjust the thresholds used to determine which firms—in addition to those in Category I and II—are subject to the market risk and CVA risk capital requirements.

The second proposed rule would make targeted revisions within the standardized approach currently used by Category III and IV firms, and other banking organizations subject to risk-based capital standards. These revisions are intended to improve the calibration and risk sensitivity for certain exposure categories. The proposal would require Category III and IV firms to recognize in regulatory capital most elements of accumulated other comprehensive income and loss. This change would be phased in over a period of five years. For firms subject to the standardized approach that do not elect to use the expanded risk-based approach, the proposal would also reduce the risk weight applicable to all assets not specifically assigned a different risk weight under the capital rule (such as consumer automotive loans and leases) from 100 percent to 90 percent, as well as reduce the risk weight applicable to corporate exposures from 100 percent to 95 percent. Residential mortgage exposures would generally be risk weighted using an LTV-based methodology under the proposal. While these risk weights are generally more punitive than those assigned to similar exposure categories under the proposed expanded risk-based approach, the standardized approach would not separately assign risk-weighted assets to address operational risk. The supervisory formula used to assign risk weights for securitization exposures would be adjusted to align with that of the proposed expanded risk-based approach with an output floor that is reduced from 20 percent to 15 percent.

Both proposals would modify the definition of regulatory capital by removing the threshold-based deduction of mortgage servicing assets, and all firms that use the expanded risk-based approach would be required to apply the more stringent threshold test to determine any capital deduction for certain DTAs and investments in the capital instruments of unconsolidated financial institutions. These proposals were issued without effective dates but generally assume transition periods that begin January 1, 2027, and have comment periods that expire June 18, 2026. As proposed, the phase-in of accumulated other comprehensive income and loss would be expected to significantly affect our levels of regulatory capital. The impact of lower capital levels would be partially offset by the recalibration of risk weights proposed in the expanded risk-based approach or revised standardized approach. 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 public comments are considered, remain unclear.

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Scope of Application

U.S. Basel III applies to Ally Financial Inc.

Restrictions on Capital

- **Capital Adequacy Requirements** — Ally and Ally Bank are subject to various capital adequacy requirements. For additional information, refer to Note 20 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025, and Note 17 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.
- **Limitations on Bank and BHC Dividends and Other Capital Distributions** — Federal and Utah law place a number of conditions, limits, and other restrictions on dividends and other capital distributions that may be paid by Ally Bank to IB Finance, and thus indirectly to Ally. In addition, even if the FRB does not require us to resubmit our capital plan, Ally and IB Finance may be precluded from or limited in paying dividends or other capital distributions without the FRB's approval under certain circumstances—for example, in the event that Ally or IB Finance would not meet minimum regulatory capital ratios after giving effect to the distributions. FRB supervisory guidance also directs BHCs like us to consult with the FRB prior to increasing dividends, implementing common share repurchase programs, or redeeming or repurchasing capital instruments. Further, the U.S. banking agencies are authorized to prohibit an insured depository institution, like Ally Bank, or a BHC, like Ally, from engaging in unsafe or unsound banking practices and, depending upon the circumstances, could find that paying a dividend or other capital distribution would constitute an unsafe or unsound banking practice.
- **Transactions with Affiliates** — Sections 23A and 23B of the Federal Reserve Act and the FRB's Regulation W prevent Ally and its nonbank subsidiaries from taking undue advantage of the benefits afforded to Ally Bank as a depository institution, including its access to federal deposit insurance and the FRB's discount window. Pursuant to these laws, covered transactions—including Ally Bank's extensions of credit to and asset purchases from its affiliates, credit exposures to affiliates arising from derivative transactions, securities lending and borrowing transactions, and acceptance of affiliate-issued securities or other debt obligations as collateral—are generally subject to meaningful restrictions. For example, unless otherwise exempted, (1) covered transactions are limited to 10% of Ally Bank's capital stock and surplus in the case of any individual affiliate and 20% of Ally Bank's capital stock and surplus in the case of all affiliates; (2) Ally Bank's credit transactions with an affiliate are generally subject to stringent collateralization requirements; (3) with few exceptions, Ally Bank may not purchase any low quality asset from an affiliate; and (4) covered transactions must be conducted on terms and conditions that are consistent with safe and sound banking practices. In addition, transactions between Ally Bank and an affiliate must be on terms and conditions that are either substantially the same as or more beneficial to Ally Bank than those prevailing at the time for comparable transactions with or involving nonaffiliates, or in the absence of comparable transactions, that in good faith would be offered to, or would apply to, nonaffiliates.

These laws include an attribution rule that treats a transaction between Ally Bank and a nonaffiliate as a transaction between Ally Bank and an affiliate to the extent that the proceeds of the transaction are used for the benefit of or transferred to the affiliate.

- **Source of Strength** — Ally is required to serve as a source of financial strength for Ally Bank and to commit resources to support Ally Bank in circumstances when Ally might not otherwise elect to do so. The functional regulator of any nonbank subsidiary of Ally, however, may prevent that subsidiary from directly or indirectly contributing its financial support, and if that were to preclude Ally from serving as an adequate source of financial strength, the FRB may instead require the divestiture of Ally Bank and impose operating restrictions pending such a divestiture.
- **Enforcement Authority** — The FRB possesses extensive authorities and powers to regulate and supervise the conduct of Ally's businesses and operations. If the FRB were to take the position that Ally or any of its subsidiaries have violated any law or commitment or engaged in any unsafe or unsound practice, formal or informal enforcement and other supervisory actions could be taken by the FRB against Ally, its subsidiaries, and institution-affiliated parties (such as directors, officers, and agents). The UDFI and the FDIC have similarly expansive authorities and powers over Ally Bank and its subsidiaries. For example, the FRB, the UDFI, or the FDIC could order us to cease and desist from engaging in specified activities or practices or could affirmatively compel us to correct specified violations or practices. Some or all of these governmental authorities also would have the power, as applicable, to issue administrative orders against us that can be judicially enforced, to direct us to increase capital and liquidity, to limit our dividends and other capital distributions, to restrict or redirect the growth of our assets, businesses, and operations, to compel us to change our practices and remediate harm alleged to have been suffered by consumers or others, to assess civil money penalties against us, to remove our officers and directors, to require the divestiture or the retention of assets or entities, to terminate deposit insurance, or to force us into bankruptcy, conservatorship, or receivership. These actions could directly affect not only Ally, its subsidiaries, and institution-affiliated parties but also Ally's counterparties, shareholders, and creditors and its commitments, arrangements, and other dealings with them.

Bank Holding Company, Financial Holding Company, and Depository Institution Status

Ally and IB Finance are BHCs under the BHC Act, and Ally has elected to be an FHC under the GLB Act. IB Finance is a direct subsidiary of Ally and the direct parent of Ally Bank, which is a commercial bank that is organized under the laws of the State of Utah and whose deposits are insured by the FDIC under the FDI Act. As BHCs, Ally and IB Finance are subject to regulation, supervision, and examination by the FRB. Ally Bank is a member of the Federal Reserve System and is subject to regulation, supervision, and examination by

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the FRB, the UDFI, the FDIC, and the CFPB. Ally Bank is required to file periodic reports with regulators concerning its financial condition. Total assets of Ally Bank were \$185.7 billion at March 31, 2026, based on its Call Report filing. Ally Bank's deposits are insured by the FDIC.

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 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 March 31, 2026, Ally Bank met the capital ratios required to be well capitalized under the PCA framework.

At March 31, 2026, Ally and Ally Bank were in compliance with their regulatory capital requirements. For additional discussion of capital adequacy requirements, refer to Note 17 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

Insurance Companies

Some of our insurance operations—including in the United States, Canada, and Bermuda—are subject to certain minimum aggregate capital requirements, net asset and dividend restrictions, and rules and regulations promulgated by various U.S. and foreign regulatory agencies. Under state and foreign insurance laws, dividend distributions may be made only from statutory unassigned surplus with approvals required from applicable regulatory authorities for dividends in excess of statutory limitations. Our insurance operations are also subject to applicable state and foreign laws generally governing insurance companies, as well as laws addressing products that are not regulated as insurance, such as VSCs and GAP waivers.

Investments in Ally

Because Ally Bank is an insured depository institution and Ally and IB Finance are BHCs, direct or indirect control of us—whether through the ownership of voting securities, influence over management or policies, or other means—is subject to approvals, conditions, and other restrictions under federal and state laws. Refer to the section above titled *Bank Holding Company, Financial Holding Company, and Depository Institution Status* for additional information. These laws may differ in their purposes, definitions and presumptions of control, and restrictions, which for example is the case as between the BHC Act and the Change in Bank Control Act. Investors are responsible for ensuring that they do not, directly or indirectly, acquire control of us in contravention of these laws.

Surplus of Insurance Subsidiaries and Subsidiary Regulatory Capital

At March 31, 2026, Ally did not have any subsidiaries whose regulatory capital was less than the minimum required regulatory capital amount.

At March 31, 2026, the aggregate capital surplus of insurance subsidiaries was \$1.2 billion.

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Capital Structure

The following table presents Ally Financial Inc.'s capital components under U.S. Basel III at March 31, 2026.

<i>(\$ in millions)</i>	March 31, 2026
Common Equity Tier 1 capital	
Common stock and related surplus	\$ 15,231
Retained earnings	827
Accumulated other comprehensive loss	(2,773)
Adjustments and deductions made to Common Equity Tier 1 capital	2,410
Total Common Equity Tier 1 capital	15,695
Other Tier 1 capital	
Additional Tier 1 capital elements	2,324
Adjustments and deductions made to Tier 1 capital	(85)
Total Tier 1 capital	17,934
Tier 2 capital	
Tier 2 capital elements	984
Includable allowance for loan and lease losses	1,960
Adjustments and deductions made to Tier 2 capital	(85)
Total Tier 2 capital	2,859
Total capital (a)	\$ 20,793

(a) For more information, refer to Schedule HC-R of our FR Y-9C for March 31, 2026.

Ally has issued a variety of capital instruments to meet its regulatory capital requirements and to maintain a strong capital base. The terms and conditions of Ally's significant capital instruments are described as follows.

Common Stock

\$0.01 par value; shares authorized 1,100,000,000; issued 522,896,204; and outstanding 307,407,671.

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Preferred Stock

The following table summarizes information about our Series B and Series C preferred stock.

		March 31, 2026
Series B preferred stock (a) (b)		
Issuance date		April 22, 2021
Carrying value (\$ in millions)	\$	1,335
Par value (per share)	\$	0.01
Liquidation preference (per share)	\$	1,000
Number of shares authorized		1,350,000
Number of shares issued and outstanding		1,350,000
Dividend/coupon		
Prior to May 15, 2026		4.700%
On and after May 15, 2026		Five Year Treasury + 3.868%
Series C preferred stock (a)		
Issuance date		June 2, 2021
Carrying value (\$ in millions)	\$	989
Par value (per share)	\$	0.01
Liquidation preference (per share)	\$	1,000
Number of shares authorized		1,000,000
Number of shares issued and outstanding		1,000,000
Dividend/coupon		
Prior to May 15, 2028		4.700%
On and after May 15, 2028		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.
- (b) On May 4, 2026, we announced our intent to redeem all of our issued and outstanding 4.700% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series B on May 15, 2026. Refer to Note 24 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, for additional information about this planned redemption and our issuance of additional preferred stock to partially replace this element of our capital structure.

Subordinated Debt

The following table presents details about our outstanding subordinated debt instruments that were issued with an original term to maturity of five years or greater and included as Tier 2 capital.

March 31, 2026 (\$ in millions)	Carrying value	Qualifying amount in Tier 2 capital
6.700% Subordinated Notes due 2033	\$ 488	\$ 488
6.646% Fixed-Rate Reset Subordinated Notes due 2040 (a)	496	496
Total subordinated debt	\$ 984	\$ 984

- (a) Coupon rate resets on January 17, 2035, at a rate based on the five-year U.S. Treasury yield plus 2.450%, and we have the option to redeem these notes during the 90-day period ending on the reset date.

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Capital Adequacy

Ally has a capital-management framework that adheres to the FRB's capital plan rule for an effective capital adequacy process, as well as broader FRB risk management and capital management related supervisory guidance.

Capital adequacy assessment and management is conducted at both the enterprise and at Ally Bank and frameworks have been established at both levels. Governance and oversight for each level is provided by the respective Boards, committees, and management structures.

Enterprise Risk Management Framework

The primary goals of Ally's ERM framework are to ensure that the outcomes of Ally's risk-taking activities are consistent with Ally's risk appetite and strategies, and that there is an appropriate balance between risk taking and reward, without jeopardizing targeted capital and liquidity levels.

Ally's risk-management framework is applied on an enterprise-wide basis and includes the following key components: Governance & Organization, Strategy & Risk Appetite, and Risk Management Processes, including Risk Identification and Measurement, Risk Mitigation and Control, and Risk Monitoring and Reporting.

The ERM framework also establishes guidance for maintaining a strong risk-management culture throughout Ally. Ally's risk culture is grounded in a top-down risk-governance structure, originating with the RC, and implemented through other Board and management committees down through business-line committees, councils, members of enterprise management teams, and business-line management teams. Equally important is the bottom-up and cross business identification, assessment, and management of risks to provide information and reporting to senior management to appropriately manage and control risk exposures within Ally's established risk appetite.

To effectively manage and monitor the risks of Ally, the ERM framework also defines multiple layers of defense that clarify the general roles and responsibilities of the business-line risk owners, independent risk-management function, and internal audit function. This "multiple layers of defense" approach directly supports the balance between risk and return to protect Ally's target capital and liquidity levels. Each layer has specific responsibilities with respect to the effectiveness of Ally's governance, risk management, and internal controls.

Risk appetite is also integral to ERM. It guides decisions on the types and amount of risk Ally is willing to accept in executing on its strategic priorities and business objectives. Ally uses a combination of risk appetite statements and measures to provide the basis for risk reporting to Ally management and the Boards. In order to assess capital adequacy, risk appetite includes processes to compare current and projected capital levels (from baseline forecasting and stress testing) to regulatory well-capitalized minimums as well as internal targets and minimums. In addition, the ERM framework highlights specific processes for appropriate governance, oversight, and accountability for risk appetite.

Ally's risk-appetite metrics are monitored by the ERM function and reported to the ERM Committee and the RC. Detailed risk-appetite metrics are also reported throughout the organization to various management committees.

Capital Planning Practices

The objectives of the capital-planning process are to maintain capital levels that are commensurate with Ally's risk profiles, maintain capital above the minimum regulatory capital ratios and internal minimums, and continue to serve as a source of strength for Ally's depository institution, Ally Bank. In addition, we will continue to maintain capital levels that enable us to meet our obligations to creditors and counterparties and remain a viable finance intermediary during stressful conditions.

The capital-adequacy process provides a comprehensive structure to manage capital adequacy across the entire organization. The process documents key processes related to assessing the adequacy of Ally's capital and planning for short-term and long-term capital needs. It also incorporates related efforts inclusive of stress testing, material risk identification, risk appetite, modeling, and corporate governance.

The capital-adequacy process is designed to be a central integration point for decision-making processes internal to the organization. Outputs from the capital-adequacy process are used to inform and improve risk appetite and related risk guardrails, as well as initiate capital discussions and potential capital decisions based on established triggers (such as internal capital targets, internal goals/minimums, and regulatory minimums).

Enterprise-Wide Stress Testing & Capital Planning

Ally's enterprise-wide stress-testing process measures risks throughout the organization, reflecting a required or internally driven set of economic scenarios, and ultimately influences Ally's risk-management and capital-planning practices.

Ally conducts various stress tests each year including severe stresses of macroeconomic conditions and idiosyncratic stresses that are more specific to Ally. The results of each stress test are integrated into our capital adequacy assessment and decision-making.

Ally has established a centrally coordinated enterprise stress-testing process, with close engagement of senior management and the Boards throughout the process. Ally's STSA team is a dedicated team within the independent risk-management function that develops and facilitates stress tests based on an established set of methodologies and appropriately tailored assumptions across Ally and its subsidiaries. A

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centrally managed process helps ensure effective oversight and control, and is conducive to providing consistent output that can inform strategic decisions on an ongoing basis.

The STSA team coordinates the development of scenarios, analyzes and challenges results and supporting documentation, as well as prepares summary reporting materials for internal and external parties.

The following table presents Ally's RWAs by exposure type calculated under U.S. Basel III at March 31, 2026.

<i>(\$ in millions)</i>	March 31, 2026
Exposures to government-sponsored enterprises	\$ 3,555
Exposures to depository institutions and foreign banks	101
Exposures to public-sector entities	285
Corporate exposures	34,669
Retail exposures	74,993
Residential mortgage exposures	7,765
High volatility commercial real estate loans	534
Past-due loans	1,832
Other assets (a)	18,817
Securitization exposures	5,854
Equity exposures	3,773
Other off-balance sheet items (b)	4,580
Over-the-counter derivatives	3
Risk-weighted assets before deduction for excess allowance of loan and lease losses	156,761
Excess allowance for loan and lease losses	(1,560)
Total standardized risk-weighted assets (c)	\$ 155,201

(a) Includes investments in operating leases with an RWA amount of \$8.7 billion.

(b) Includes equity commitments with an RWA amount of \$257 million.

(c) For more information, refer to Schedule HC-R of our FR Y-9C for March 31, 2026.

The following table summarizes the capital ratios for Ally and its depository subsidiary, Ally Bank.

March 31, 2026	Common Equity Tier 1 capital ratio	Tier 1 capital ratio	Total risk-based capital ratio
Ally Financial Inc.	10.11 %	11.56 %	13.40 %
Ally Bank	12.38	12.38	13.65

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Capital Conservation Buffer

As part of U.S. Basel III, Ally must maintain a capital conservation buffer in order to not be subject to any limitation on distributions and discretionary bonus payments. The capital conservation buffer is composed solely of Common Equity Tier 1 capital and is equal to the lowest of the reported Common Equity Tier 1, Tier 1, or total capital ratios, minus the minimum capital requirement for each respective ratio.

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, 2026, the stress capital buffer requirement for Ally was 2.6%. In February 2026, the FRB announced it intends to maintain stress capital buffer requirements at their current level until 2027.

Failure to maintain more than the full amount of the capital conservation buffer requirement would result in restrictions on the ability of Ally to make capital distributions, including dividend payments and share repurchases and redemptions, and to pay discretionary bonuses to executive officers.

At March 31, 2026, Ally's capital conservation buffer was 5.40%, which exceeded the requirement. Accordingly, Ally is not subject to any limitations on distributions and discretionary bonus payments on the basis of the capital conservation buffer, and it is also not subject to a maximum payout amount equal to eligible retained income multiplied by the applicable maximum payout ratio.

Eligible retained income is defined under U.S. Basel III as the greater of 1) net income for the four preceding calendar quarters, net of distributions and associated tax effects not already reflected in net income, and 2) average net income over the four preceding calendar quarters. At March 31, 2026, our net income for the four preceding calendar quarters was \$1.4 billion, and distributions related to repurchases of and cash dividends on common stock and dividends on preferred stock were \$663 million, resulting in net income in excess of distributions of \$733 million. At March 31, 2026, our average net income over the four preceding calendar quarters was \$349 million. Based on these amounts, our eligible retained income at March 31, 2026, was \$733 million.

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Credit Risk

For qualitative discussion surrounding our credit-risk-management policies, procedures, and practices, refer to the Risk Management section within MD&A in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, and our Annual Report on Form 10-K for the year ended December 31, 2025.

For a description of our accounting policies for (i) determining past due or delinquency status, (ii) placing loans on nonaccrual status, (iii) returning loans to accrual status, (iv) estimating our allowance for loan and lease losses, and (v) charging-off uncollectible amounts, refer to the section titled *Significant Accounting Policies* within Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

The following tables present information about our significant asset classes exposed to credit risk, with total balances delineated by counterparty type, domicile, and remaining contractual maturity. The information presented below excludes the unused portion of commitments that are unconditionally cancelable by us. As of March 31, 2026, we had \$13.9 billion of unfunded commitments related to unconditionally cancelable arrangements.

March 31, 2026 (\$ in millions)	Counterparty type					Domicile			Quarterly average
	Banks	Public sector	Corporate & other	Retail	Total	United States	Non-U.S.	Total	
Exposure									
Debt securities (a)	\$ 488	\$ 6,995	\$ 19,892	\$ —	\$ 27,375	\$ 26,777	\$ 598	\$ 27,375	\$ 27,429
Finance receivables and loans, net of unearned income (b) (c)	—	—	38,151	102,100	140,251	140,097	154	140,251	138,212
Operating leases	—	—	—	8,699	8,699	8,699	—	8,699	8,805
Over-the-counter derivative contracts (at fair value)	2	—	1	—	3	1	2	3	2
Unfunded commitments	—	—	13,359	95	13,454	13,412	42	13,454	14,414
Total credit risk exposures	\$ 490	\$ 6,995	\$ 71,403	\$ 110,894	\$ 189,782	\$ 188,986	\$ 796	\$ 189,782	\$ 188,862

- (a) Includes available-for-sale securities presented at fair value of \$23.0 billion and held-to-maturity securities presented at amortized cost of \$4.3 billion. Excludes securities classified as cash and cash equivalents on our balance sheet.
- (b) Refer to the Risk Management section within MD&A in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, for state concentration risk of our consumer and commercial loan portfolios.
- (c) Excludes a liability of \$24 million related to basis adjustments for loans in closed portfolios with active fair value hedges under the portfolio layer method. Refer to Note 18 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, for additional information.

March 31, 2026 (\$ in millions)	One year or less	After one year through five years	After five years	Total
	Exposure			
Debt securities (a)	\$ 480	\$ 4,771	\$ 22,124	\$ 27,375
Finance receivables and loans, net of unearned income (b)	19,246	63,864	57,141	140,251
Operating leases	1,567	7,132	—	8,699
Over-the-counter derivative contracts (at fair value)	2	—	1	3
Unfunded commitments	4,094	8,251	1,109	13,454
Total credit risk exposures	\$ 25,389	\$ 84,018	\$ 80,375	\$ 189,782

- (a) Includes available-for-sale securities presented at fair value of \$23.0 billion and held-to-maturity securities presented at amortized cost of \$4.3 billion. Excludes securities classified as cash and cash equivalents on our balance sheet.
- (b) Excludes a liability of \$24 million related to basis adjustments for loans in closed portfolios with active fair value hedges under the portfolio layer method. Refer to Note 18 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, for additional information.

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The following table presents the amortized cost of loans in our held-for-investment portfolio that are 90 days or more past due.

March 31, 2026 (<i>\$ in millions</i>)	Consumer automotive (a)	Consumer mortgage	Commercial	Total
Loans 90 days or more past due — nonaccrual	\$ 417	\$ 42	\$ 73	\$ 532
Loans 90 days or more past due — still accruing	—	—	—	—
Total loans 90 days or more past due	\$ 417	\$ 42	\$ 73	\$ 532

(a) Excludes basis adjustments for loans in closed portfolios with active hedges under the portfolio layer method at March 31, 2026. Refer to Note 18 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, for additional information.

The following table presents an analysis of the activity in the allowance for loan losses on finance receivables and loans for the three months ended March 31, 2026. The amounts in the table below do not include our reserve for unfunded commitments, which was \$4 million as of March 31, 2026. For additional information about our allowance for loan losses and reserve for unfunded commitments, refer to Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

<i>(\$ in millions)</i>	Consumer automotive	Consumer mortgage	Commercial	Total
Allowance at January 1, 2026	\$ 3,208	\$ 12	\$ 270	\$ 3,490
Charge-offs	(671)	—	(1)	(672)
Recoveries	247	8	—	255
Net charge-offs	(424)	8	(1)	(417)
Provision for credit losses	467	(9)	9	467
Other	(1)	—	1	—
Allowance at March 31, 2026	\$ 3,250	\$ 11	\$ 279	\$ 3,540
Finance receivables and loans at amortized cost				
Ending balance	\$ 86,662	\$ 15,311	\$ 37,917	\$ 139,890

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Counterparty Credit Risk

Counterparty credit risk is the risk that a counterparty to a financial transaction may be unable or unwilling to fulfill its contractual obligation, which could potentially lead to financial losses for Ally. Counterparty credit risk at Ally arises primarily from conventional treasury activities including derivatives and securities financing transactions.

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 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.

Risk Reduction

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 options, 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 first quarter of 2026.

The primary risk associated with 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 fair 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.

Counterparty Exposures

We placed cash and noncash collateral with counterparties totaling \$13 million and \$290 million, respectively, supporting our derivative positions at March 31, 2026. 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 balance sheet in other assets. We granted our counterparties the right to sell or pledge the noncash collateral.

Derivative instruments are presented on our balance sheet on a gross basis using fair value. We also present the fair value and notional amounts based on whether the instruments qualify for and are designated as accounting hedges, and further disaggregate derivatives by type of contract within those two categories. Refer to Note 18 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026. As of March 31, 2026, the aggregate notional amount of our derivative contracts was \$26.4 billion, and our derivative asset and liability balances were both \$3 million. The derivative liability position included \$1 million of derivatives with no offsetting arrangements. For derivatives with offsetting arrangements, at March 31, 2026, there were no net derivative assets or liabilities after consideration of financial instruments and collateral received or pledged. For additional information about offsetting assets and liabilities, refer to Note 21 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

As of March 31, 2026, the securities sold under agreements to repurchase consisted of \$526 million in U.S. Treasury securities, of which \$427 million in repurchase agreements were set to mature within 30 days, and the remaining \$99 million of repurchase agreements are set to mature within 31 to 60 days. As of March 31, 2026, we placed cash collateral of \$10 million related to repurchase agreements.

Except for credit-linked notes used as a credit risk mitigant in connection with synthetic securitizations, as of March 31, 2026, Ally has no outstanding credit derivatives. Refer to the section below titled *Securitization* for information about our synthetic securitization exposures.

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Credit Risk Mitigation

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 7 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, 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 18 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

We hold various sovereign debt securities for which the related eligible guarantees by the issuers are recognized for the purposes of reducing capital requirements. At March 31, 2026, we also had \$27 million of consumer automotive loans held for sale for which we recognized an irrevocable standby letter of credit as an eligible guarantee against a portion of the exposure, resulting in an RWA amount of \$15 million after the application of this credit risk mitigant. At March 31, 2026, none of our credit risk exposures were covered by credit derivatives to reduce capital requirements, and we had \$17 million of financial standby letter of credit exposure fully offset by cash on deposit recognized by us as eligible financial collateral. Additionally, we use credit-linked notes as a credit risk mitigant for synthetic securitization exposures. Refer to the section below titled *Securitization* for additional information about our synthetic securitization exposures.

Loan and Lease Exposure

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 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.

For detailed information on the significant asset classes affected by our loan and lease exposure, refer to the Risk Management section within MD&A in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

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Securitization

U.S. Basel III defines a traditional securitization exposure as follows:

- All or a portion of the credit risk of one or more underlying exposures is transferred to one or more third parties other than through the use of credit derivatives or guarantees;
- The credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority;
- Performance of the securitization exposures depends upon the performance of the underlying exposures;
- All or substantially all of the underlying exposures are financial exposures;
- The underlying exposures are not owned by an operating company; and
- The underlying exposures are not owned by a small business investment company or related to a community development investment.

Synthetic securitization exposures are those that meet the first four criteria above, but through the use of one or more credit derivatives or guarantees as it relates to the first criterion. Resecuritization is a securitization with more than one underlying exposures in which one or more of the underlying exposures is a securitization exposure.

Ally is both an originator and investor in the securitization market. We securitize, transfer, and service consumer and commercial automotive loans, and notes secured by operating leases (collectively referred to as financial assets) through the use of SPEs that are often VIEs and may or may not be consolidated on our balance sheet. In order to meet the operational criteria for traditional securitizations under U.S. Basel III, the exposures must not be reported on our balance sheet under U.S. GAAP. Securitizations we originate that are consolidated on our balance sheet are therefore risk weighted based on the underlying assets using general risk-weighting requirements. Securitization activities act as a source of liquidity and cost-efficient funding while also reducing our credit exposure beyond any economic interest we may retain.

For all VIEs in which we are involved, we assess whether we are the primary beneficiary of the VIE on an ongoing basis. In circumstances where we have both the power to direct the activities that most significantly impact the VIEs' performance and the obligation to absorb losses or the right to receive the benefits of the VIE that could be significant, we would conclude that we are the primary beneficiary of the VIE and would consolidate the VIE (also referred to as on-balance sheet). In situations where we are not deemed to be the primary beneficiary of the VIE, we do not consolidate the VIE and only recognize our interests in the VIE (also referred to as off-balance sheet).

In the case of a consolidated on-balance-sheet VIE used for a securitization, the underlying assets remain on our balance sheet with the corresponding obligations to third-party beneficial interest holders reflected as debt. We recognize income on the assets and interest expense on the debt issued by the VIE on an accrual basis. We reserve for expected losses on the assets primarily under CECL. Consolidation of the VIE precludes us from recording an accounting sale on the transaction.

In securitizations where we are not determined to be the primary beneficiary of the VIE, we must determine whether we achieve a sale for accounting purposes. To achieve a sale for accounting purposes, the financial assets being transferred must be legally isolated, not be constrained by restrictions from further transfer, and be deemed to be beyond our control. We would deem the transaction to be an off-balance-sheet securitization if the preceding three criteria for sale accounting are met. If we were to fail any of these three criteria for sale accounting, the transfer would be accounted for as a secured borrowing, consistent with the preceding paragraph regarding on-balance sheet VIEs.

The gain or loss recognized on off-balance-sheet securitizations takes into consideration any assets received or liabilities assumed, including any retained interests, and servicing assets or liabilities (if applicable), which are initially recorded at fair value at the date of sale. Upon the sale of the financial assets, we recognize a gain or loss on sale for the difference between the assets and liabilities recognized, and the assets derecognized. The financial assets obtained from off-balance-sheet securitizations are primarily reported as cash or if applicable, retained interests. Retained interests are classified as securities or as other assets depending on their form and structure. The estimate of the fair value of the retained interests and servicing requires us to exercise significant judgment about the timing and amount of future cash flows from the interests. For a discussion on fair value estimates, refer to Note 20 to the Condensed Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026.

Gains or losses on off-balance-sheet securitizations are reported in gain on mortgage and automotive loans, net, in our income statement.

We retain the right to service our automotive loan securitizations. We may receive servicing fees for off-balance-sheet securitizations based on the securitized asset balances and certain ancillary fees, all of which are reported in other income, net of losses in our income statement. Typically, the fee we are paid for servicing represents adequate compensation, and consequently, does not result in the recognition of a servicing asset or liability.

We generally hold certain conditional repurchase options specific to securitizations that allow us to repurchase assets from the securitization entity. The majority of the securitizations provide us, as servicer, with a call option that allows us to repurchase the remaining

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transferred financial assets or redeem outstanding beneficial interests at our discretion once the asset pool reaches a predefined level, which represents the point where servicing becomes administratively burdensome (a clean-up call option). The repurchase price is typically the discounted securitization balance of the assets plus accrued interest when applicable. We generally have discretion regarding when or if we will exercise these options, but we would do so only when it is in our best interest.

Other than our customary representation and warranty provisions, these securitizations are nonrecourse to us, thereby transferring the risk of future credit losses to the extent the beneficial interests in the SPE are held by third parties. Representation and warranty provisions generally require us to repurchase assets or indemnify the investor or other party for incurred losses to the extent it is determined that the assets were ineligible or were otherwise defective at the time of sale. We did not provide any non-contractual financial support to any of these entities during the first quarter of 2026.

Assets intended to be securitized off-balance sheet are accounted for as loans held-for-sale and are valued using internally developed valuation models when observable market prices are not available, which is often the case. The models utilize prepayment, default, and discount rate assumptions to price the loans on a discounted cash flow basis.

Risk Management

Our securitization activity exposes us primarily to the credit risk and performance of the underlying assets. For qualitative discussion surrounding our credit-risk-management policies, procedures, and practices, refer to the Risk Management section within MD&A in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026. To mitigate the retained risk in securitization activities, Ally utilizes credit enhancements including cash reserves, overcollateralization, and subordinate notes.

Securitization Exposures

The following table includes information about the underlying financial assets for exposures originated by Ally that qualify as securitizations under U.S. Basel III, including delinquencies and net credit losses.

At and for the three months ended March 31, 2026 (\$ in millions)	Total amount	Amount 60 days or more past due	Net credit losses (a)
Traditional securitizations			
Consumer automotive	\$ 858	\$ 16	\$ 4
Synthetic securitizations			
Consumer automotive	10,638	52	14
Total securitization exposures	\$ 11,496	\$ 68	\$ 18

(a) Net credit losses for traditional securitizations are not reflected in our income statement since the underlying financial assets do not remain on our balance sheet under U.S. GAAP.

Securitization Activity

During the three months ended March 31, 2026, we did not complete any transactions that qualify as securitizations under U.S. Basel III.

Purchased Investment Securities

As an investor, Ally has purchased investment securities that meet the definition of securitizations under U.S. Basel III. These securities are accounted for as either available for sale or held to maturity, and measured at fair value or amortized cost less allowance for credit losses, respectively, on our balance sheet. The fair value of available-for-sale securities is based on observable market prices, when available. 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.

Other Securitization Exposures

As of March 31, 2026, our purchased securitization exposures also included commercial loans and unfunded lending commitments made to SPEs and secured by underlying financial exposures. These arrangements are designed to meet the needs of our clients for long-term financing of assets or working capital, and qualify for us as traditional securitizations for regulatory capital purposes.

Regulatory Capital Approach

We utilize the SSFA to determine the risk weight of certain securitization exposures. The SSFA method considers our seniority in the securitization structure and risk factors inherent in the underlying assets.

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The following table represents Ally's securitizations purchased or retained that were risk weighted using the SSFA by exposure type as of March 31, 2026.

March 31, 2026 (<i>\$ in millions</i>)	Exposure amount
Mortgage-backed residential securities	\$ 3,889
Asset-backed securities (a)	9,563
Other securitization exposures (b)	5,588
Total	\$ 19,040

- (a) Primarily represents exposures to consumer automotive loans including securitization exposures arising from credit-linked notes issued by Ally.
 (b) Includes \$631 million of off-balance sheet securitization exposures related to unfunded lending commitments we made to SPEs.

The following table represents Ally's securitizations purchased or retained that were risk weighted using the SSFA by risk-weight band as of March 31, 2026.

March 31, 2026 (<i>\$ in millions</i>)	Exposure amount	SSFA risk-weighted assets	Capital requirement (a)
Risk-weight category			
20% – <50% risk weighting (b)	\$ 18,871	\$ 3,780	\$ 302
100% – <250% risk weighting	1	2	—
250% – 1250% risk weighting	168	2,072	166
Total	\$ 19,040	\$ 5,854	\$ 468

- (a) Calculated as 8% of RWA to reflect the required minimum total capital ratio under U.S. Basel III.
 (b) Exposures with a risk weight equal to 20% were \$17.2 billion.

At March 31, 2026, Ally did not have any resecuritization exposures.

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Equities Not Subject to the Market-Risk Rule

Equity securities that have a readily determinable fair value are recorded at fair value with changes in fair value recorded in earnings and reported in other gain on investments, net in our income statement. These investments are included in equity securities on our balance sheet. In some instances, we may account for equity securities using the net asset value practical expedient to estimate fair value. Realized gains and losses on the sale of equity securities with a readily determinable fair value and equity securities measured using the net asset value practical expedient are determined using the specific identification method and are reported in other gain on investments, net in our income statement. Details of our policy for the valuation of investment securities can be found in Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025.

Our nonmarketable equity investments include investments in FHLB and FRB stock held to meet regulatory requirements and other equity investments that do not have a readily determinable fair value. Our investments in FHLB and FRB stock are carried at cost, less impairment, if any. Our remaining nonmarketable equity investments are recorded at cost, less impairment and adjusted for observable price changes under the measurement alternative provided under U.S. GAAP. These investments, along with our investments in FHLB and FRB stock, are included in nonmarketable equity investments in other assets on our balance sheet. Investments recorded under the measurement alternative are also reviewed at each reporting period to determine if any adjustments are required for observable price changes in identical or similar securities of the same issuer. As conditions warrant, we review these investments, as well as investments in FHLB and FRB stock, for impairment and adjust the carrying value of the investment if it is deemed to be impaired. Adjustments related to observable price changes or impairment on securities using the measurement alternative and FHLB and FRB stock are recorded in earnings and reported in other income, net of losses, in our income statement. Realized gains and losses on the sale of nonmarketable equity investments are also recorded in earnings and reported in other income, net of losses, in our income statement.

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 balance sheet.

Our proportional amortization investments include tax equity investments related to the CRA, for which the primary return to us is the income tax credits and other income 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 income tax credits and other income tax benefits in each period to the total income tax benefits expected to be obtained over the life of the investment, and the investment amortization and income tax credits are presented on a net basis as a component of income tax expense in our income statement. Our proportional amortization investments are included within other assets on our balance sheet. Refer to Note 1 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025, for additional information.

Under U.S. Basel III, a banking organization may apply a 100% risk weight to equity exposures deemed non-significant. Equity exposures are considered non-significant when the total aggregate adjusted carrying value of the equity exposures do not exceed 10 percent of total capital. Ally's equity exposures do not exceed 10 percent of total capital and are considered non-significant.

The table below presents the carrying value, fair value, and RWAs by risk-weight category for equity investments on our balance sheet.

March 31, 2026 (<i>\$ in millions</i>)	Risk-weight category	Carrying value (a)	Risk-weighted assets
Equity exposures			
FRB stock	— %	\$ 454	\$ —
FHLB stock	20 %	335	67
Community development equity exposures	100 %	2,417	2,417
Non-significant equity exposures (b)	100 %	1,289	1,289
Total		\$ 4,495	\$ 3,773

(a) Amounts represent the fair value of equity securities with readily determinable fair values, as well as investments recorded in other assets accounted for under the equity method, the proportional amortization method, or at cost less impairment and adjusted for observable price changes under the measurement alternative provided under U.S. GAAP.

(b) Includes publicly traded equity securities with a cost basis of \$966 million.

Total net unrealized losses on equity securities recognized on our balance sheet were \$162 million at March 31, 2026. Total net realized gains arising from sales and liquidations of equity securities were \$35 million for the three months ended March 31, 2026.

Basel III Public Disclosures

Ally Financial Inc.

Interest Rate Risk for Non-Trading Activities

We are exposed to interest rate risk arising from changes in interest rates related to financing, investing, and cash management activities. Interest rate risk arises from the mismatch between assets and the related liabilities used for funding. We enter into various financial instruments, including derivatives, to maintain the desired level of exposure to the risk of interest rate and other fluctuations.

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. In addition to net financing revenue sensitivities, EVE is used as a long-term interest rate risk measurement tool and a component of our interest rate risk management framework. EVE measures the present value of aggregate lifetime cash flows based on balance sheet and off-balance sheet positions at a specific point-in-time. We determine EVE sensitivities using a multitude of rate scenarios where the present value of future cash flows is recalculated using shocked interest rates. Interest rate risk metrics are reported at each regularly scheduled meeting of the ALCO and of the RC. Reporting includes exposure relative to risk limits, impacts to a range of rate scenarios, and sensitivity tests of key assumptions.

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. 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. We also assess Ally's sensitivity to interest rate risk through the performance of sensitivity testing of key assumptions including, but not limited to, prepayments and retail automotive and deposit repricing on a routine basis.

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.

(\$ in millions)	March 31, 2026	
	Gradual (a)	Instantaneous
Change in interest rates		
+200 basis points	\$ 3	\$ (243)
+100 basis points	3	(114)
-100 basis points	(11)	44
-200 basis points	(32)	14

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

In 2026, the implied forward curve has flattened, driven by the front end, as expected declines in the Federal Funds Rate decreased. During the three months ended March 31, 2026, our asset balances increased primarily due to growth in floating-rate commercial loans and fixed-rate retail automotive loans, partially offset by the continued run-off of our consumer mortgage portfolio. The impact of these changes is reflected in our baseline net financing revenue forecast. As of March 31, 2026, our balance sheet is modestly asset sensitive in the near term due to our floating-rate assets and pay-fixed hedge position. However, our balance sheet remains liability sensitive over the medium term, driven by the assumed repricing of our deposits and market-based funding outpacing the assumed repricing of our floating-rate assets and pay-fixed swaps.

Basel III Public Disclosures

Ally Financial Inc.

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, asset liability management objectives, and the interest rate environment evolve over time.

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