



Ally Financial enters into a definitive agreement to acquire Fair Square Financial

CHARLOTTE, N.C., Oct. 21, 2021 / PRNewswire—Ally has entered into a definitive agreement to acquire Fair Square Financial (“FSF”) for \$750 million in an all-cash transaction.

The transaction was unanimously approved by Ally’s board of directors and is expected to close by the end of the first quarter 2022. Ally expects the transaction to further enhance profitability and risk-adjusted returns. The deal advances Ally’s evolution as the leading digital consumer bank providing frictionless, innovative products to our growing customer base.

The acquisition provides Ally with a scalable, digital-first credit card platform. In addition to advancing Ally’s digital offerings, it enhances our ability to grow and deepen customer relationships and provides access to the \$1 trillion credit card market.

Since its founding in 2016, and led by a management team deeply experienced in the credit card industry, FSF has focused on providing products that improve the financial future of customers via leading-edge technology and proprietary, analytics based underwriting. Over the past four years, FSF has grown customers and loan balances at compounded annual rates of 66% and 74%, respectively. FSF currently has approximately 658 thousand cardholders and \$763 million in loan balances.*

Similar to Ally, FSF is digitally-born and seeks to meet the shifting preferences of today’s consumer. The digital-DNA has positioned FSF to generate significant customer engagement through web and mobile while also having a 100% digital application process. FSF’s customer-centric culture complements Ally’s Do It Right mantra, evidenced in customer satisfaction above 90% and NPS in the mid-50’s.

The transaction does not impact Ally’s previously announced \$2 billion share repurchase authorization and is expected to consume approximately 50-55 bps of CET1. Citi served as lead financial advisor, Goldman Sachs & Co. LLC also served as a financial advisor and Sullivan & Cromwell LLP served as legal counsel to Ally. J.P. Morgan served as exclusive financial advisor and Skadden, Arps, Slate, Meagher & Flom LLP served as legal counsel to Fair Square Financial.

*Company, operational and financial information provided by Fair Square Financial and is unaudited.

About Ally Financial

Ally Financial Inc. (NYSE: ALLY) is a digital financial services company committed to its promise to "Do It Right" for its consumer, commercial and corporate customers. Ally is composed of an industry-leading independent auto finance and insurance operation, an award-winning digital direct bank (Ally Bank, Member FDIC and Equal Housing Lender, which offers mortgage lending, point-of-sale personal lending, and a variety of deposit and other banking products), a corporate finance business for equity sponsors and middle-market companies, and securities brokerage and investment advisory services. A relentless ally for all things money, Ally helps people save well and earn well, so they can spend for what matters. For more information, please visit www.ally.com and follow [@allyfinancial](https://twitter.com/allyfinancial).

For more information and disclosures about Ally, visit <https://www.ally.com/#disclosures>.

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