Ally Bank eliminates all overdraft fees, ending centuries-old industry practice and lifting consumer burden

- Americans paid $12.4 billion in overdraft fees in 2020, according to the 2021 FinHealth Spend Report

- Removal of fees will help protect consumers disproportionately hurt by overdrafts

CHARLOTTE, N.C., June 2, 2021 /PRNewswire/ -- Ally Bank, the largest digital bank in the U.S. and a division of Ally Financial Inc. (NYSE: ALLY), eliminated overdraft fees on all accounts today. Every Ally Bank customer is eligible, and there are no requirements or restrictions.

Ally Financial CEO Jeffrey Brown said: "This is a significant advancement for consumers as we live out our mission and live up to our name - being a true ally. Overdraft fees are a pain point for many consumers but are particularly onerous for some. It is time to end them.

"Nationwide, more than 80% of overdraft fees are paid by consumers living paycheck to paycheck or with consistently low balances – precisely the people who need help stabilizing their finances. Eliminating these fees helps keep people from falling further behind and feeling penalized as they catch up," said Brown.

Ninety-five percent of the consumers who paid$12.4 billion in overdraft fees in 2020 were "financially vulnerable" and disproportionately Black and Latinx, according to the 2021 FinHealth Spend Report. Among those financially vulnerable households with checking accounts, 43% averaged 9.6 overdrafts during 2020, resulting in annual overdraft fees of hundreds of dollars per household on average.

Diane Morais, president of consumer and commercial banking at Ally Bank, said, "Since we launched Ally in 2009, we've worked tirelessly to create simple experiences that are built around consumer needs. We know that money can be a source of stress and confusion, and we try to simplify that for people. Overdraft fees can be a major cause of anxiety. It became clear to us that the best way to relieve that anxiety was to eliminate those fees."

The elimination of overdraft fees is the latest example of Ally's "Do It Right" commitment. Ally has never charged overdraft fees for debit card transactions or charged more than one overdraft fee per day. For over a decade, Ally has been leveraging its direct bank model to pass value back to customers with no minimum balance requirements, no monthly maintenance fees, no ACH transfer fee, and a large nationwide, no-fee ATM network with over 43,000 Allpoint ATMs.

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.

For more information and disclosures about Ally, visithttps://www.ally.com/#disclosures.

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