Ally and CardWorks Reach Agreement on Sale of Ally's Credit Card Business

Sale enables Ally to be more focused on its core businesses;acquisition enhances CardWorks' position as a leading credit card issuer and servicer

CHARLOTTE, N.C. and WOODBURY, N.Y., Jan. 22, 2025 /PRNewswire/ -- Ally Financial Inc. (NYSE: ALLY) and CardWorks, Inc. today announced that they have entered into a definitive agreement for CardWorks, and its wholly-owned bank subsidiary, Merrick Bank, to acquire Ally's credit card business, including a portfolio of$2.3 billion in credit card receivables with 1.3 million active cardholders as of Dec. 31, 2024.

"Ally's decision to sell its credit card business is part of our broader strategy to pursue a more focused approach, enabling us to simplify and streamline our structure, prioritize our core businesses, and drive improved returns," said Ally CEO Michael Rhodes. "We are proud of the results the business generated over the last three years and pleased with the terms of the agreement and the opportunity for this business to continue growing with CardWorks. As we embark on the next chapter at Ally, we remain relentlessly focused on doing right by our customers, communities, employees and shareholders."

"This portfolio and platform acquisition is an exciting step in the expansion of our near-prime credit card business, and a natural fit for us," said CardWorks CEO Dan Pillemer. "As servicing partner to the platform since inception, we have always admired this talented team and are thrilled to add them to the CardWorks and Merrick Bank family."

Ally and CardWorks will work together to ensure a smooth transition for customers and employees. The transaction is expected to close in 2025, subject to the completion of customary closing conditions.

J.P. Morgan Securities LLC served as the financial advisor and Sullivan & Cromwell LLP served as legal advisor to Ally. Cravath, Swaine & Moore LLP served as legal advisor to CardWorks.

About Ally Financial
Ally Financial Inc. (NYSE: ALLY) is a financial services company with the nation's largest all-digital bank and an industry-leading auto financing business, driven by a mission to "Do It Right" and be a relentless ally for customers and communities. The company serves approximately 10 million customers with deposits and securities brokerage and investment advisory services as well as autc financing and insurance offerings. The company also includes a robust corporate finance business that offers capital for equity sponsors and middle-market companies. For more information, please visit www.ally.com.

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

For further images and news on Ally, please visithttp://media.ally.com.

About CardWorks and Merrick Bank
CardWorks is a trusted leader in credit and payments, known for its people-first approach, innovative use of data and technology, and unwavering commitment to compliance. For over 38 years, CardWorks has empowered millions of customers and partnered with businesses to deliver tailored financial solutions that drive success. Learn more at www.cardworks.com.

Merrick Bank, a wholly-owned subsidiary of CardWorks, specializes in empowering non-prime and near-prime consumers to achieve financial success. Discover how Merrick Bank makes a difference atwww.merrickbank.com.

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