

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

April 6, 2020  
Date of Report (Date of earliest event reported)

ALLY FINANCIAL INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation)

1-3754  
(Commission  
file number)

38-0572512  
(I.R.S. Employer  
Identification No.)

Ally Detroit Center  
500 Woodward Ave., Floor 10  
Detroit, Michigan  
48226

(Address of principal executive offices and zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALLY	New York Stock Exchange
8.125% Fixed Rate/Floating Rate Trust	ALLY PRA	New York Stock Exchange
Preferred Securities, Series 2 of GMAC Capital Trust I		

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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**Item 8.01 Other Events.**

In light of recent developments relating to Coronavirus Disease 2019, Ally Financial Inc. is supplementing its risk factors contained in Item 1A of its Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on February 25, 2020. The following risk factor should be read in conjunction with the risk factors described in the Annual Report on Form 10-K.

***The Coronavirus Disease 2019 (COVID-19) pandemic is adversely affecting us and our customers, counterparties, employees, and third-party service providers, and the adverse impacts on our business, financial position, results of operations, and prospects could be significant.***

The spread of COVID-19 has created a global public-health crisis that has resulted in widespread volatility and deteriorations in household, business, economic, and market conditions. The extent of the impact of the COVID-19 pandemic on our capital, liquidity, and other financial positions and on our business, results of operations, and prospects will depend on a number of evolving factors, including:

- *The duration, extent, and severity of the pandemic.* COVID-19 does not yet appear to be contained and could affect significantly more households and businesses. The duration and severity of the pandemic continue to be impossible to predict.
- *The response of governmental and nongovernmental authorities.* Many of their actions have been directed toward curtailing household and business activity to contain COVID-19 while simultaneously deploying fiscal- and monetary-policy measures to partially mitigate the adverse effects on individual households and businesses. These actions are not always coordinated or consistent across jurisdictions but, in general, have been rapidly expanding in scope and intensity. For example, in many jurisdictions, governments have acted to temporarily close or restrict the operations of automotive dealers, and as a result, we have recently experienced a significant decline in our origination of consumer automotive loans and leases.
- *The effect on our customers, counterparties, employees, and third-party service providers.* COVID-19 and its associated consequences and uncertainties may affect individuals, households, and businesses differently and unevenly. In the near-term if not longer, however, our credit, operational, and other risks are generally expected to increase.
- *The effect on economies and markets.* Whether the actions of governmental and nongovernmental authorities will be successful in mitigating the adverse effects of COVID-19 is unclear. National, regional, and local economies and markets could suffer disruptions that are lasting. An economic slowdown, for example, could result in declines in new and used vehicle sales and downward pressure on used vehicle values, which could adversely affect our origination of consumer automotive loans and leases and the performance of our existing loans and leases. In addition, governmental actions are meaningfully influencing the interest-rate environment, which could adversely affect our results of operations and financial condition.

We are unable to estimate the impact of COVID-19 on our business and operations at this time. The pandemic could cause us to experience higher credit losses in our lending portfolio, impairment of our goodwill and other financial assets, further reduced demand for our products and services, and other negative impacts on our financial position, results of operations, and prospects. Sustained adverse effects may also prevent us from satisfying our minimum regulatory capital ratios and other supervisory requirements or result in downgrades in our credit ratings.

In March 2020, we announced programs to support customers, employees, and communities during the COVID-19 pandemic. A significant number of our consumer automotive customers have enrolled in a program to defer their payments for up to 120 days. Additionally, a significant number of our automotive-dealer customers have taken advantage of a program that includes, for up to 120 days, a waiver of curtailments on wholesale floorplan loans, an increase in floorplan advance rates, a deferral of interest and insurance charges on wholesale borrowings, and a deferral of term loan payments. These programs may negatively impact our revenue and other results of operations in the near term and, if not effective in mitigating the effect of COVID-19 on our customers, may adversely affect our business and results of operations more substantially over a longer period of time.

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As described in our 2019 annual report on Form 10-K (“2019 10-K”), on January 1, 2020, we adopted *ASU 2016-13, Financial Instruments - Credit Losses* (“CECL”), which upon adoption resulted in a reduction to our opening retained earnings balance of approximately \$1 billion, net of income tax, and a pre-tax increase to the allowance for loan losses of approximately \$1.3 billion. As also described in our 2019 10-K, the U.S. banking agencies in December 2018 had approved a final rule to address the impact of CECL on regulatory capital by allowing banking organizations, including the Company and Ally Bank, the option to phase in the day-one impact of CECL until the first quarter of 2023. In March 2020, the U.S. banking agencies issued an interim final rule that provides banking organizations with an alternative option to delay for two years an estimate of CECL’s effect on regulatory capital, relative to the incurred loss methodology’s effect on regulatory capital, followed by a three-year transition period. We are electing this alternative option instead of the one described in the December 2018 rule.

As further described in our 2019 10-K, because of CECL, our financial results may be negatively affected as soon as weak or deteriorating economic conditions are forecasted and alter our expectations for credit losses. In addition, due to the expansion of the time horizon over which we are required to estimate future credit losses under CECL, we may experience increased volatility in our future provisions for credit losses. As a result, factoring in COVID-19, we expect to incur a significant provision expense for credit losses in the first quarter of 2020 and may incur significant provision expense for credit losses in future periods as well.

Given our inability to estimate the impact of COVID-19 on our business and operations in 2020, we are withdrawing the Company’s financial outlook for full-year 2020 that was issued on January 22, 2020.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALLY FINANCIAL INC.  
(Registrant)

Dated: April 6, 2020

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