

The Ally Difference

An Interview with Barbara A. Yastine,
Chair, Chief Executive Officer, and President, Ally Bank

EDITORS' NOTE Barbara Yastine was named to her current post in May 2012. She joined Ally in 2010 as Chief Administrative Officer of Ally Financial Inc., and also serves as Ally Bank Chair. Prior to joining Ally, she served as a principal of Southgate Investment Partners, LLC and before this, was Chief Financial Officer for Credit Suisse First Boston from 2002 to 2004. She also spent 15 years with Citigroup and its predecessor companies, with her last position as CFO of Citigroup's Global Corporate and Investment Bank. During her time at Citigroup, she also served as Chief Auditor, Chief Administrative Officer of the Global Consumer Group, and Executive Vice President and CFO of its consumer finance business. Yastine began her career at Citigroup as the Head of Investor Relations for its predecessor, Primerica. She holds a bachelor's degree in journalism and a master's degree in finance, both from New York University.



Barbara A. Yastine

COMPANY BRIEF Ally Bank (www.ally.com) is a direct bank in the U.S. that offers a straight-forward approach to banking with no minimum deposits, no monthly fees, and 24/7 live customer service. A subsidiary of Ally Financial Inc., the bank is the third largest direct bank with \$50 billion in deposits, offering online savings, interest checking, money market accounts, certificates of deposit with terms ranging from three months to five years, and IRA plans and products. For the third consecutive year, Ally Bank has been named "Best Online Bank" in MONEY magazine's annual "Best Banks in America" (November 2013) feature.

How does Ally Bank differentiate itself?

When Ally Bank was launched in 2009, we began with a mission to offer consumers a great banking experience, while also providing competitive and innovative products.

The Ally brand is all about three premises: talk straight; do right by the customer; and be obviously better. The bank was built from the ground up around those tenets, and we believe it is a big reason we have had so much success.

With only four years behind us, we have achieved 49 percent awareness of the brand, which is huge in financial services.

We're focused on four areas. First, the way we design products and features in a straightforward

manner, including having straight-talk disclosures, which were recently recognized by The Pew Charitable Trusts in their annual study, "Checks and Balances: Measuring Checking Accounts' Safety and Transparency." Second, a customer service operation that is not based on stopwatches but rather focused on being helpful to the customer. Third, having the technology to give customers a great banking experience but also translating that digital experience to a positive customer relationship. We have gotten a lot of industry recognition in terms of leading the pack with the technology interface with our customers.

Fourth, pricing that is consistently competitive. As a direct bank, we don't have to put money into operating branches, so we can offer value back to customers through better pricing.

We believe the Ally value proposition we offer to consumers is truly resonating. We see it in

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our customer satisfaction and customer retention metrics, which are consistently above 90 percent.

We know many customers have more than one banking relationship and that is fine with us. Customers often come to us because they want a portion of their funds to work harder for them.

The great news is that once they give Ally a try, most customers stick with us. When people come to Ally, they maintain the relationship because they get what they bargained for.

How broad is the customer profile?

We have 754,000 customers currently, and historically, the sweet spot has been people who are described as mass affluent and above. This isn't surprising because these are the people thinking most about their savings, and have the time and motivation to recognize that they can do better.

But we're focused on the fact that today, we have \$50 billion in deposits and that we will be a \$100-billion bank in five to seven years.

Every day we see the broadening of clients coming to Ally.

Is it difficult to build the customer relationship when you don't have branches?

Branch-based banks are building out their online capabilities aggressively. They're trying to drive their customers to source more online.

Five years from now, those who will be winning in banking will be those who have figured out how to give customers a sense of a personal relationship without the physical interaction.

At Ally, we are focused on doing just that. Our customer service professionals are always there to help, 24/7, and they have the tools needed to help our customers. Our commitment to exemplary customer service is something we pride ourselves on and is the key way we differentiate ourselves in the market. We make it easy for customers to do business with us either by phone, the Web or via a mobile device.

Is corporate responsibility a key part of your culture, and how do you define it?

It is a key part of our culture and Ally employees across the company are committed to giving back, donating more than 5,000 volunteer hours a year.

We do a certain amount of Community Reinvestment Act activity in Utah where the bank is headquartered, and we are thrilled to be part of that community. But we're also very active nationally, supporting more than 950 nonprofit organizations, including local charities championed by our auto dealer customers.

We also offer Wallet Wise, a financial literacy program that is offered across the country and online free of charge, because we want to educate our consumers.

We are as committed to our communities as we are to our customers. ●