

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Ally International Insurance Company Ltd.

Opinions

We have audited the condensed financial statements of Ally International Insurance Company Ltd. (the “Company”), which comprise the condensed balance sheets and condensed statements of capital and surplus as of December 31, 2022 and 2021, and the related condensed statements of income for the years then ended, including the related notes (collectively referred to as the “condensed financial statements”).

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying condensed financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations for the years then ended in accordance with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to condensed general purpose financial Statements (the “Legislation”).

Adverse Opinion on Accounting Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America section of our report, the accompanying condensed financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2022 and 2021, or the results of its operations for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the condensed financial statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for adverse opinion on U.S. generally accepted accounting principles

As described in Note 3 to the condensed financial statements, the condensed financial statements are prepared by the Company on the basis of the financial reporting provisions of the Legislation, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Bermuda Monetary Authority.

The effects on the condensed financial statements of the variances between the regulatory basis of accounting described in Note 3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of management for the condensed financial statements

Management is responsible for the preparation and fair presentation of the condensed financial statements in accordance with the financial reporting provisions of the Legislation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the condensed financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the condensed financial statements are available to be issued.

Auditor's responsibilities for the audit of the condensed financial statements

Our objectives are to obtain reasonable assurance about whether the condensed financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the condensed financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the condensed financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the condensed financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the condensed financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte Ltd.

April 21, 2023

CONDENSED CONSOLIDATED BALANCE SHEET

Ally International Insurance Company Ltd.

As at **December 31, 2022**expressed in **United States Dollars**

LINE No.		2022	2021
1.	CASH AND CASH EQUIVALENTS	6,175,381	9,286,431
2.	QUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other	108,083,094	115,334,447
(b)	Total Bonds and Debentures	108,083,094	115,334,447
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other quoted investments		
(f)	Total quoted investments	108,083,094	115,334,447
3.	UNQUOTED INVESTMENTS:		
(a)	Bonds and Debentures		
	i. Held to maturity		
	ii. Other		
(b)	Total Bonds and Debentures	-	-
(c)	Equities		
	i. Common stocks		
	ii. Preferred stocks		
	iii. Mutual funds		
(d)	Total equities	-	-
(e)	Other unquoted investments		
(f)	Total unquoted investments	-	-
4.	INVESTMENTS IN AND ADVANCES TO AFFILIATES		
(a)	Unregulated entities that conduct ancillary services		
(b)	Unregulated non-financial operating entities		
(c)	Unregulated financial operating entities		
(d)	Regulated non-insurance financial operating entities		
(e)	Regulated insurance financial operating entities		
(f)	Total investments in affiliates	-	-
(g)	Advances to affiliates		
(h)	Total investments in and advances to affiliates	-	-
5.	INVESTMENTS IN MORTGAGE LOANS ON REAL ESTATE:		
(a)	First liens		
(b)	Other than first liens		
(c)	Total investments in mortgage loans on real estate	-	-
6.	POLICY LOANS		
7.	REAL ESTATE:		
(a)	Occupied by the company (less encumbrances)		
(b)	Other properties (less encumbrances)		
(c)	Total real estate	-	-
8.	COLLATERAL LOANS		
9.	INVESTMENT INCOME DUE AND ACCRUED	626,410	645,991
10.	ACCOUNTS AND PREMIUMS RECEIVABLE:		
(a)	In course of collection	3,868,697	3,085,847
(b)	Deferred - not yet due		
(c)	Receivables from retrocessional contracts		
(d)	Total accounts and premiums receivable	3,868,697	3,085,847
11.	REINSURANCE BALANCES RECEIVABLE:		
(a)	Foreign affiliates		
(b)	Domestic affiliates		
(c)	Pools & associations		
(d)	All other insurers		
(e)	Total reinsurance balance receivable	-	-
12.	FUNDS HELD BY CEDING REINSURERS		

CONDENSED CONSOLIDATED BALANCE SHEET

Ally International Insurance Company Ltd.

As at **December 31, 2022**expressed in **United States Dollars**

LINE No.		2022	2021
13.	SUNDRY ASSETS:		
(a)	Derivative instruments		
(b)	Segregated accounts companies - long-term business - variable annuities		
(c)	Segregated accounts companies - long-term business - other		
(d)	Segregated accounts companies - general business		
(e)	Deposit assets		
(f)	Deferred acquisition costs	7,036,576	7,713,041
(g)	Net receivables for investments sold		
(h)	Income Tax Receivable	-	-
(i)	Other Sundry Assets (Specify)		
(j)	Other Sundry Assets (Specify)		
(k)	Total sundry assets	7,036,576	7,713,041
14.	LETTERS OF CREDIT, GUARANTEES AND OTHER INSTRUMENTS		
(a)	Letters of credit		
(b)	Guarantees		
(c)	Other instruments		
(e)	Total letters of credit, guarantees and other instruments	-	-
15.	TOTAL	125,790,158	136,065,757
	TOTAL INSURANCE RESERVES, OTHER LIABILITIES AND STATUTORY CAPITAL AND SURPLUS		
16.	UNEARNED PREMIUM RESERVE		
(a)	Gross unearned premium reserves	79,002,787	83,245,289
(b)	Less: Ceded unearned premium reserve		
	i. Foreign affiliates	24,875,280	23,914,208
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other insurers		
(c)	Total ceded unearned premium reserve	24,875,280	23,914,208
(d)	Net unearned premium reserve	54,127,507	59,331,081
17.	LOSS AND LOSS EXPENSE PROVISIONS:		
(a)	Gross loss and loss expense provisions	5,804,521	7,155,608
(b)	Less : Reinsurance recoverable balance		
	i. Foreign affiliates	5,151,040	6,658,790
	ii. Domestic affiliates		
	iii. Pools & associations		
	iv. All other reinsurers		
(c)	Total reinsurance recoverable balance	5,151,040	6,658,790
(d)	Net loss and loss expense provisions	653,481	496,818
18.	OTHER GENERAL BUSINESS INSURANCE RESERVES		
19.	TOTAL GENERAL BUSINESS INSURANCE RESERVES	54,780,988	59,827,899
	LONG-TERM BUSINESS INSURANCE RESERVES		
20.	RESERVE FOR REPORTED CLAIMS		
21.	RESERVE FOR UNREPORTED CLAIMS		
22.	POLICY RESERVES - LIFE		
23.	POLICY RESERVES - ACCIDENT AND HEALTH		
24.	POLICYHOLDERS' FUNDS ON DEPOSIT		
25.	LIABILITY FOR FUTURE POLICYHOLDERS' DIVIDENDS		
26.	OTHER LONG-TERM BUSINESS INSURANCE RESERVES		
27.	TOTAL LONG-TERM BUSINESS INSURANCE RESERVES		
(a)	Total Gross Long-Term Business Insurance Reserves	-	-
(b)	Less: Reinsurance recoverable balance on long-term business		
	(i) Foreign Affiliates		

CONDENSED CONSOLIDATED BALANCE SHEET

Ally International Insurance Company Ltd.

As at December 31, 2022

expressed in United States Dollars

LINE No.		2022	2021
38.	TOTAL OTHER LIABILITIES	4,245,711	4,854,574
39.	TOTAL INSURANCE RESERVES AND OTHER LIABILITIES	59,026,699	64,682,473
	CAPITAL AND SURPLUS		
40.	TOTAL CAPITAL AND SURPLUS	66,763,459	71,383,284
41.	TOTAL	125,790,158	136,065,757
		TRUE	TRUE

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Ally International Insurance Company Ltd.
 As at **December 31, 2022**
 expressed in **United States Dollars**

LINE No.		2022	2021
	GENERAL BUSINESS UNDERWRITING INCOME		
1.	GROSS PREMIUMS WRITTEN		
	(a) Direct gross premiums written	58,671,478	55,007,500
	(b) Assumed gross premiums written	18,013,349	17,895,506
	(c) Total gross premiums written	76,684,827	72,903,006
2.	REINSURANCE PREMIUMS CEDED	58,671,478	55,007,500
3.	NET PREMIUMS WRITTEN	18,013,349	17,895,506
4.	INCREASE (DECREASE) IN UNEARNED PREMIUMS	5,203,574	3,323,720
5.	NET PREMIUMS EARNED	23,216,923	21,219,226
6.	OTHER INSURANCE INCOME		
7.	TOTAL GENERAL BUSINESS UNDERWRITING INCOME	23,216,923	21,219,226
	GENERAL BUSINESS UNDERWRITING EXPENSES		
8.	NET LOSSES INCURRED AND NET LOSS EXPENSES INCURRED	9,235,802	9,319,290
9.	COMMISSIONS AND BROKERAGE	3,018,200	2,758,726
10.	TOTAL GENERAL BUSINESS UNDERWRITING EXPENSES	12,254,002	12,078,016
11.	NET UNDERWRITING PROFIT (LOSS) - GENERAL BUSINESS	10,962,921	9,141,210
	LONG-TERM BUSINESS INCOME		
12.	GROSS PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Direct gross premiums and other considerations		
	(b) Assumed gross premiums and other considerations		
	(c) Total gross premiums and other considerations	-	-
13.	PREMIUMS CEDED		
14.	NET PREMIUMS AND OTHER CONSIDERATIONS:		
	(a) Life		
	(b) Annuities		
	(c) Accident and health		
	(d) Total net premiums and other considerations	-	-
15.	OTHER INSURANCE INCOME		
16.	TOTAL LONG-TERM BUSINESS INCOME	-	-
	LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES		
17.	CLAIMS - LIFE		
18.	POLICYHOLDERS' DIVIDENDS		
19.	SURRENDERS		
20.	MATURITIES		
21.	ANNUITIES		
22.	ACCIDENT AND HEALTH BENEFITS		
23.	COMMISSIONS		
24.	OTHER		
25.	TOTAL LONG-TERM BUSINESS DEDUCTIONS AND EXPENSES	-	-
26.	INCREASE (DECREASE) IN POLICY RESERVES (ACTUARIAL LIABILITIES):		
	(a) Life		

CONDENSED CONSOLIDATED STATEMENT OF INCOME

Ally International Insurance Company Ltd.
 As at **December 31, 2022**
 expressed in **United States Dollars**

LINE No.		2022	2021
	(b) Annuities		
	(c) Accident and health		
	(d) Total increase (decrease) in policy reserves	-	-
27.	TOTAL LONG-TERM BUSINESS EXPENSES	-	-
28.	NET UNDERWRITING PROFIT (LOSS) - LONG-TERM BUSINESS	-	-
29.	COMBINED NET UNDERWRITING RESULTS BEFORE THE UNDERNOTED ITEMS	10,962,921	9,141,210
	UNDERNOTED ITEMS		
30.	COMBINED OPERATING EXPENSE		
	(a) General and administration	235,801	231,430
	(b) Personnel cost		
	(c) Other		
	(d) Total combined operating expenses	235,801	231,430
31.	COMBINED INVESTMENT INCOME - NET	2,237,087	2,542,694
32.	COMBINED OTHER INCOME (DEDUCTIONS)	(2,968,558)	142,878
33.	COMBINED INCOME BEFORE TAXES	9,995,649	11,595,352
34.	COMBINED INCOME TAXES (IF APPLICABLE):		
	(a) Current	2,190,362	2,567,149
	(b) Deferred	94,846	22,467
	(c) Total	2,285,208	2,589,616
35.	COMBINED INCOME BEFORE REALIZED GAINS (LOSSES)	7,710,441	9,005,736
36.	COMBINED REALIZED GAINS (LOSSES)	83,379	1,008,183
37.	COMBINED INTEREST CHARGES		
38.	NET INCOME	7,793,820	10,013,919

ALLY INTERNATIONAL INSURANCE COMPANY LTD.
NOTES TO CONDENSED GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL NOTES

1. Ally International Insurance Company Ltd. (the “Company” or “Ally IICL”) is a wholly owned subsidiary of Ally Insurance Holdings Inc. (“Ally Insurance”). Ally Insurance is a wholly owned subsidiary of Ally Financial Inc., which is incorporated in the State of Delaware, USA.

Risks Related to Our Business

Geopolitical conditions, military conflicts, acts of threats of terrorism, natural disasters, pandemics, and other conditions or events beyond our control could adversely affect the Company.

Geopolitical conditions, military conflicts (including Russia’s invasion of Ukraine), acts or threats of terrorism, natural disasters, pandemics (including the COVID-19 pandemic), and other conditions or events beyond our control may adversely affect our business, results of operations, financial condition, or prospects. For example, military conflicts, acts or threats of terrorism, and political, financial, or military actions taken in response could adversely affect general economic, business, or market conditions and, in turn, us, especially as an intermediary within the financial system. In addition, nation states engaged in warfare or other hostile actions may directly or indirectly use cyberattacks against financial systems and financial-services companies like us to exert pressure on one another or other countries with influence or interests at stake. We also could be negatively impacted if our key personnel, a significant number of our employees, or our systems or infrastructure were to become unavailable or damaged due to a pandemic, natural disaster, war, act of terrorism, accident, or similar cause. These same risks and uncertainties arise too for the service providers and counterparties on whom we depend as well as their own third-party service providers and counterparties.

2. The Company writes on a direct basis automobile physical damage for insurance coverage for franchised new automobile dealers located in the United States. The coverage is written under the U.S. Motors Inventory Coverage Program, which provides coverage for the non-financed inventory of Ally dealers. This business is 100% ceded to Motors Insurance Corporation (MIC), an affiliated entity.

The Company has a quota share reinsurance agreement to assume 50% of a portion of MIC Canada’s vehicle service contract business that is not already subject to other reinsurance agreements. MIC Canada is the vehicle service contract and protection plan provider for GM Canada and insures General Motors Company of Canada (GMCC) under a contractual liability policy for claims related to future mechanical repair and replacement vehicle rental costs covered by extended service contracts sold by GMCC Dealers to consumers

3. The condensed general purpose financial statements have been prepared in conformity with the financial reporting provisions of the Insurance Act 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed General Purpose Financial Statements (the “Legislation”). The condensed general purpose financial statements are based upon U.S. Generally Accepted Accounting Principles (“GAAP”) but are in accordance with the reporting requirements of the Legislation, which varies in certain respects from GAAP.

4. (a) Premiums

Premiums are recognized as revenue on a pro-rata basis according to the length of the original policies. For extended service contracts, premiums are earned on a basis proportionate to the anticipated loss experience. Unearned premium reserves are established to cover the unexpired portion of the premium written.

Premiums which are subject to adjustments are estimated based upon available information. Any variances from the estimates are recorded in net income in the periods in which they become known.

- (b) Loss and loss expense provisions

The liability for losses and loss expenses includes an amount determined from loss reports and individual cases and an amount, based on past experience, for losses and loss expense incurred but not reported. The reserve for losses and loss expense incurred but not reported as of 31st December 2022 is determined by management based upon an actuarial report. These estimates are continually reviewed and are necessarily subject to the impact of future changes in such factors as claim severity and frequency.

- (c) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. The carrying amount approximates fair value. Interest income earned on cash and cash equivalents is recognized on an accrual basis.

- NOTES TO THE STATEMENT OF CAPITAL AND SURPLUS

- The composition of the Company's common stock for the year ended December 31, 2022 is shown below. The Company's common stocks had no dividend rates applicable and no redemption price of any redeemable shares. These common stock also had no conversion provisions.

2. (c) The Company paid no dividend during the year.

(g) Change in other statutory capital for the years ended December 31, 2022 and 2021 was \$(1,481,221) and \$(80,318) respectively. The 2022 change was related to change in accumulated translation adjustment and a prior year deferred tax reclass.

The Trust agreement below is held as collateral in currencies other than US Dollars. The investment balances quoted below are the US Dollar equivalent amounts and do not include accrued interest. The beneficiary is the Canadian branch of Motors Insurance Corporation. The purpose of the trust account is to provide reinsurance security to policyholders of the Canadian branch.

Beneficiary	Description	Trust Amount (\$)	Date of Issue
Motors Insurance Corporation – Canadian Branch	Trust Agreement	\$79,486,528	11 th November 2009

3–8. Not applicable.

10. At December 31, 2022 and 2021 the Company had premiums receivable of \$3,868,697 and \$3,085,847 respectively. These amounts were due from Motors Insurance Corporation, an affiliated entity.

11–12. Not applicable.

13. The company has recorded a deferred acquisition cost of \$7,036,576 and \$7,713,041 at December 31, 2022 and 2021 respectively. 100% of the deferred acquisition cost is related to commission on assumed mechanical business from an affiliate.

Income tax payable was \$nil and \$(11,180) at December 31, 2022 and 2021 respectively.

14. Not applicable.

16. Unearned premiums represent the portion of premiums which relate to periods of reinsurance subsequent to the Statutory Balance Sheet date. Refer to Part I note 4 for further details concerning the recognition of premiums.

17. The following table provides a reconciliation of the activity in the reserves for insurance losses and loss expenses.

	<u>2022</u>	<u>2021</u>
Gross loss and loss expense provisions at beginning of year	7,155,608	4,540,187
Less: Reinsurance recoverable at beginning of year	(6,658,790)	(3,900,863)
Net loss and loss expense provisions at beginning of year	496,818	639,324
Net losses incurred and net loss expenses incurred related to:		
Current year	9,135,893	9,574,294
Prior years	99,909	(255,005)
Total net incurred losses & loss expenses	9,235,802	9,319,289
Net losses and loss expenses paid or payable related to:		
Current year	(8,486,276)	(9,084,000)
Prior years	(592,863)	(377,795)
Total losses and loss expenses paid or payable	(9,079,139)	(9,461,795)
Net loss and loss expense provisions at end of year	653,481	496,818
Add: Reinsurance recoverable at end of year	5,151,040	6,658,790
Gross loss and loss expense provisions at end of year	5,804,521	7,155,608

(b) There was immaterial unfavorable prior year development. No premium adjustments were made due to the unfavorable loss emergence.

(c) Not applicable.

20–27. Not applicable.

28. Insurance and reinsurance balances payable were \$2,063,684 and \$2,291,011 at December 31, 2022 and 2021 respectively and are balances in the normal course of business for the Company.

29–30. Not applicable

31. Under current Bermuda law, Ally IICL is not required to pay taxes in Bermuda on either income or capital gains. The Company has received an undertaking from the Bermuda government that, in the event of income or capital gains taxes being imposed, the Company will be exempted from such taxes until the year 2035. The Company has elected to be registered as a U.S. taxpayer and is included in the consolidated U.S. federal income tax return of Ally Financial, Inc.

32. Ally IICL had amounts payable to Ally Insurance Holdings Inc. in the amount of \$2,008,134 and \$2,373,414 at December 31, 2022 and 2021 respectively and to Motors Insurance Corporation of \$92,803 and \$102,409 at December 31, 2022 and 2021 respectively. These amounts are interest free and intercompany amounts are settled on a quarterly basis.

33. The nature of the items included in accounts payable and accrued expenses are accruals related to audit fees of \$81,090 and \$76,500 at December 31, 2022 and 2021 respectively.

34-37. Not applicable.

NOTES TO THE STATEMENT OF INCOME

6. Not applicable.

15. Not applicable.

32. Other income (deduction)

The nature of the items included in other income(deductions) at December 31, 2022 and 2021 are realized foreign exchange loss of \$(2,968,558) and gains of \$142,878 respectively.

36. Realized gains (losses)

Realized gains occur due to security sales that are concurrent to management electing to intend to sell, or be required to sell, such investments based on a variety of factors including adjustments to investment strategy, portfolio re-balancing to match a target index, market events or specific corporate events which have the effect of changing the outlook of a security.