

State of the Automotive Finance Market First Quarter 2011

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Session overview



Automotive market overview with a look at consumer delinquency



How new and used financing is changing



Questions and answers

Data Overview

- First quarter 2011 Automotive Finance Market Overview
 - ▶ All open automotive loans by risk tier
 - ▶ Automotive loan delinquencies
 - ▶ Source: Experian-Oliver Wyman Market Intelligence Reports
 - ▶ Visit www.marketintelligencereports.com

- Automotive Financing in first quarter 2011
 - ▶ New versus Used vehicles
 - ▶ Top Lender report
 - ▶ Loan characteristics, now including Loan-to-Value
 - ▶ Source: Experian Automotive National Vehicle Database sourced from DMV title registrations and NADA Used Car Guides. Visit: www.autocount.com

Risk Tiers		
Category	Scorex PLUS SM	VantageScore
Super Prime	740+	801 – 990
Prime	680 – 739	701 – 800
Nonprime	620 – 679	641 – 700
Subprime	550 – 619	601 – 640
Deep Subprime	<550	501 - 600



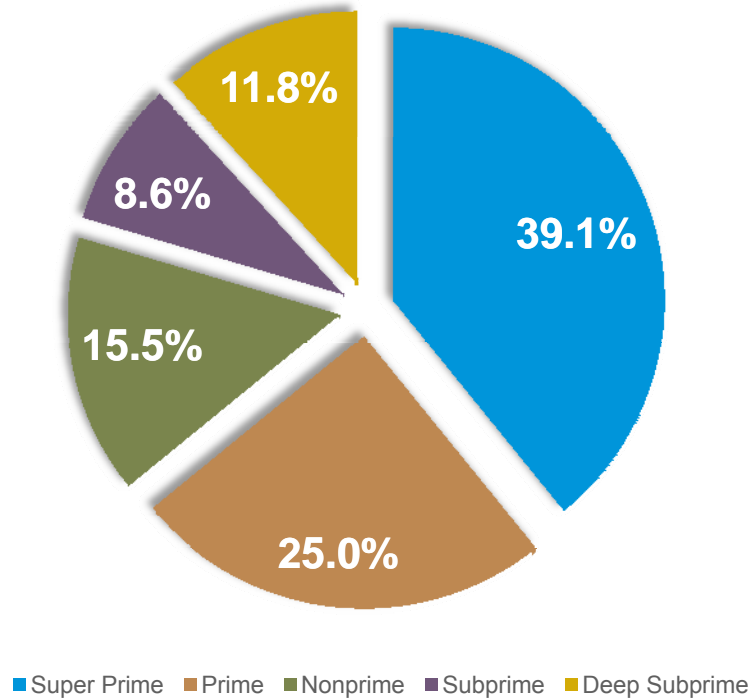


Automotive market overview with a look at consumer delinquency

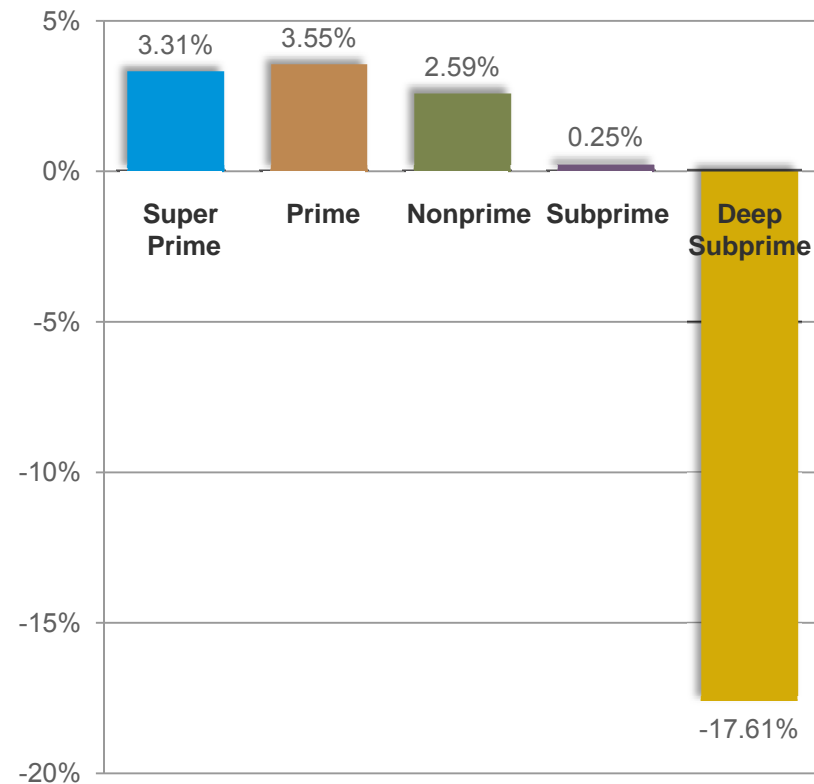
Automotive Finance Market

How has the market been changing?

Risk Distribution of Open Auto Loans



Year-over-Year Change in Risk Distribution

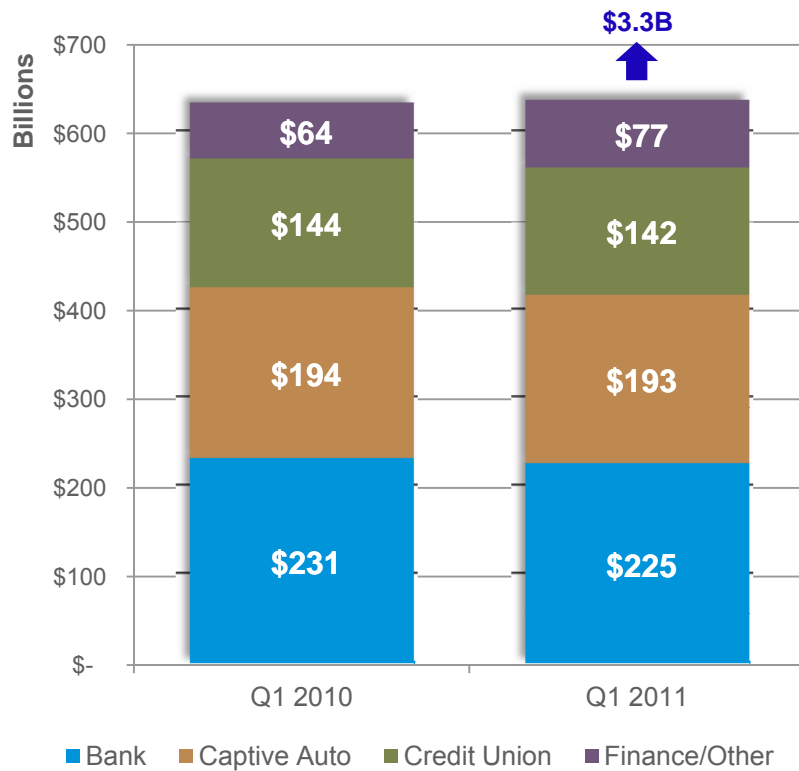


Source: Experian-Oliver Wyman Market Intelligence Reports

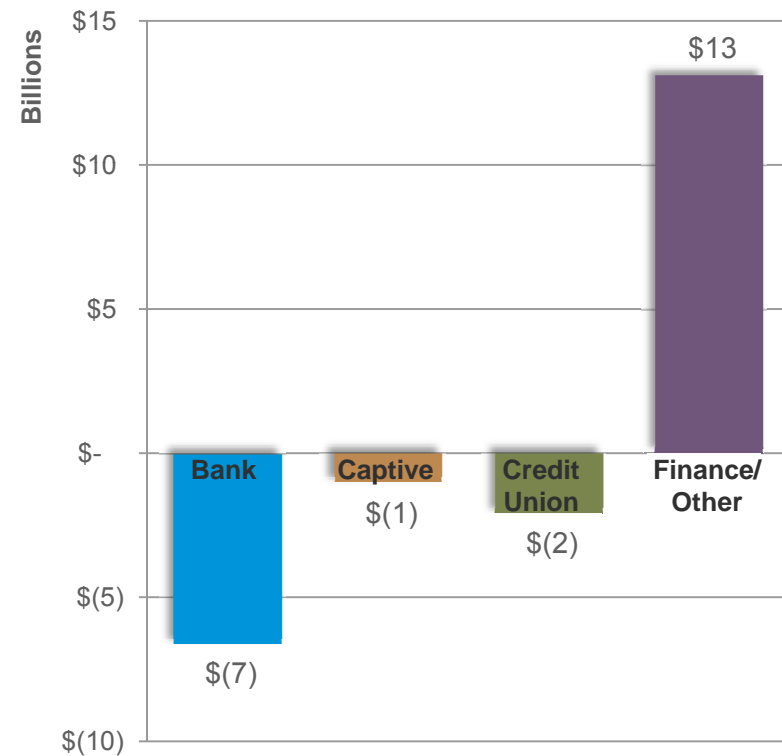
Total Automotive Balance

Who holds the open loans?

Total Outstanding Automotive Balance



Year-over-Year Change in Balance



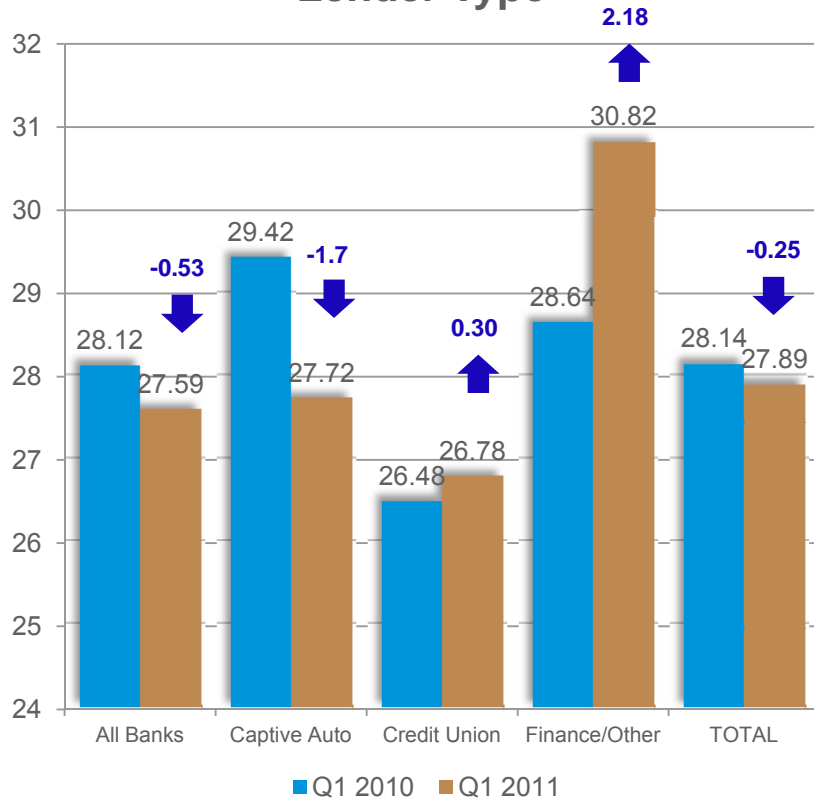
YOY Change

Source: Experian-Oliver Wyman Market Intelligence Reports

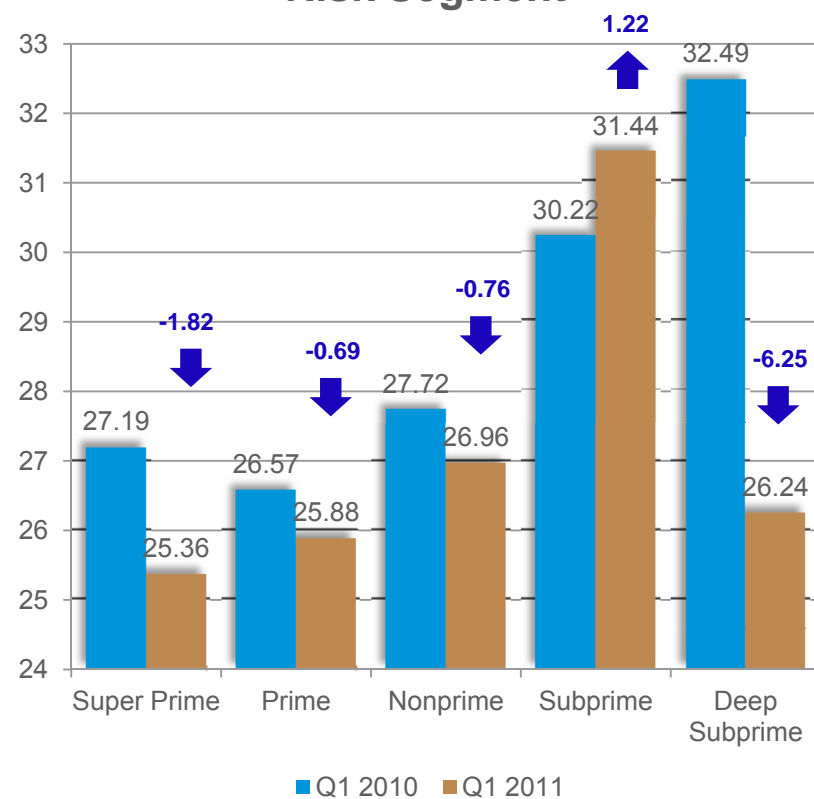
Average Age of Automotive Loans

Are consumers holding onto loans longer?

Average Loan Age by Lender Type



Average Loan Age by Risk Segment



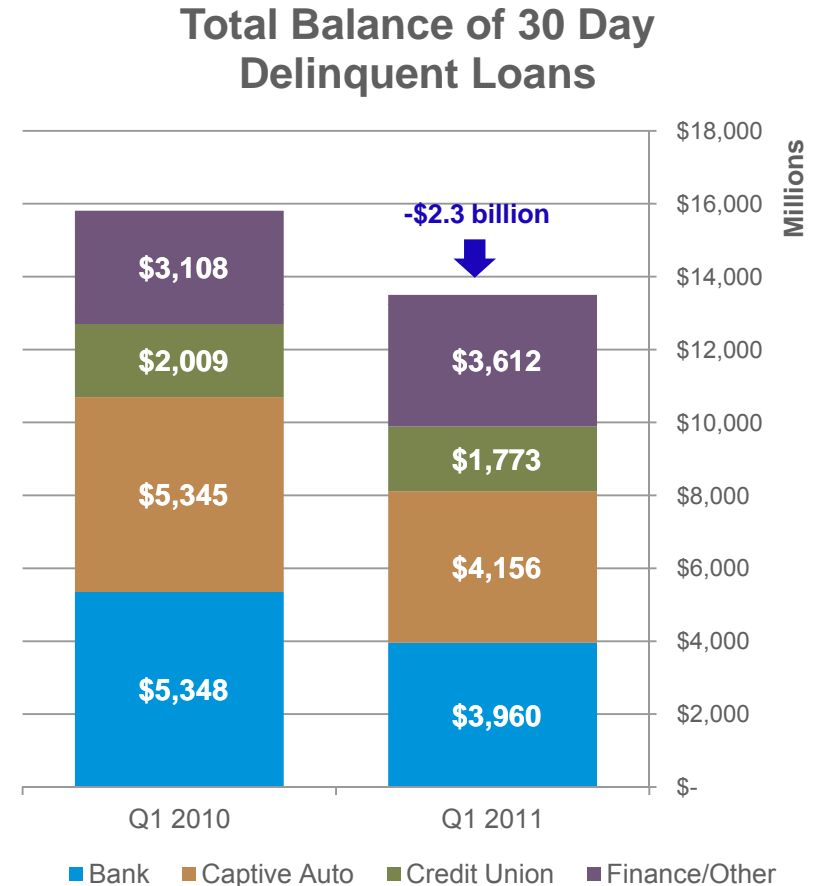
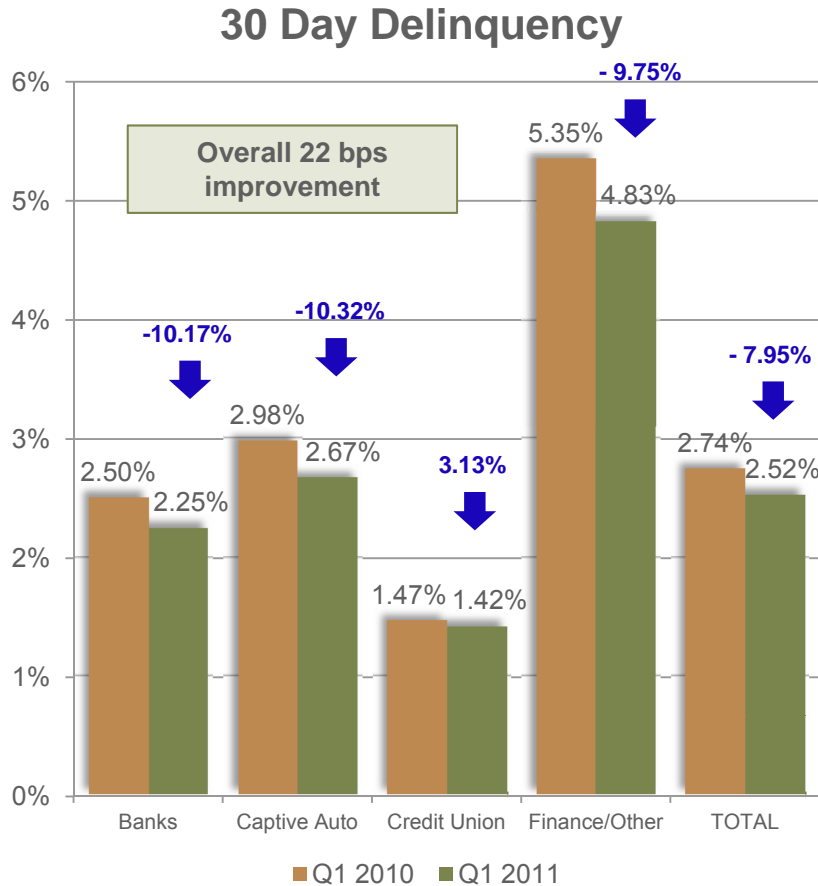
YOY Change

Source: Experian-Oliver Wyman Market Intelligence Reports



Recent Automotive Delinquency: 30 Day Delinquency

How are automotive loans performing?



YOY Change

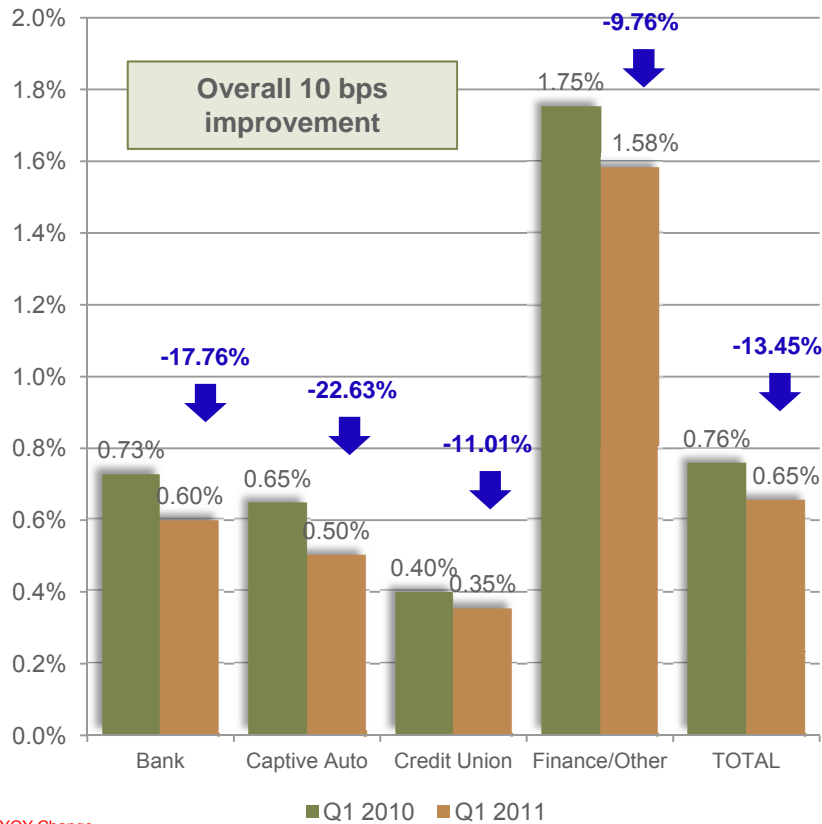
Source: Experian-Oliver Wyman Market Intelligence Reports



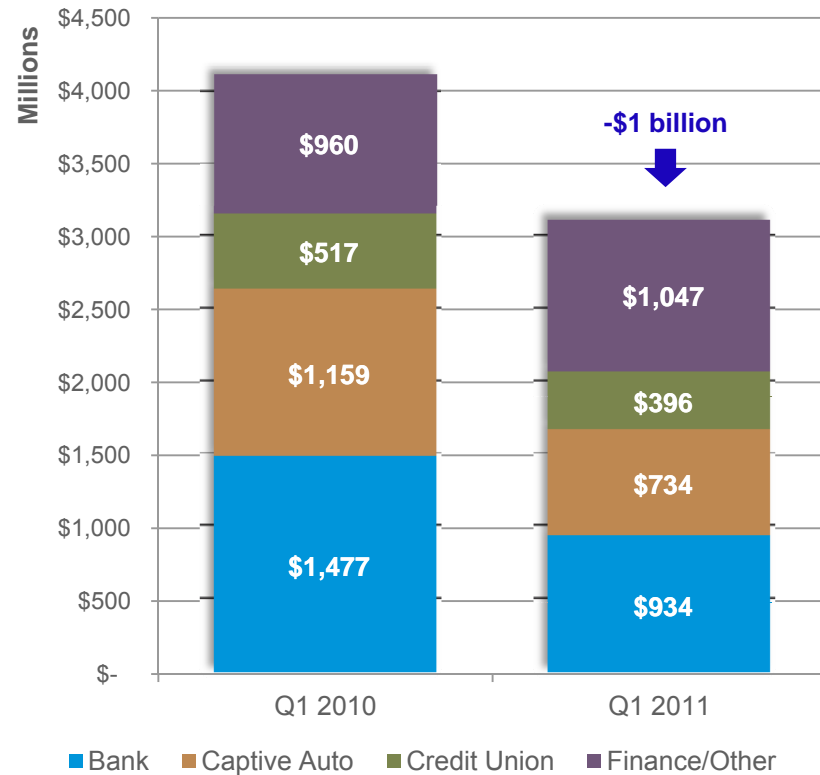
Recent Automotive Delinquency: 60 Day Delinquency

How are automotive loans performing?

60 Day Delinquency



Total Balance of 60 Day Delinquent Loans



YOY Change

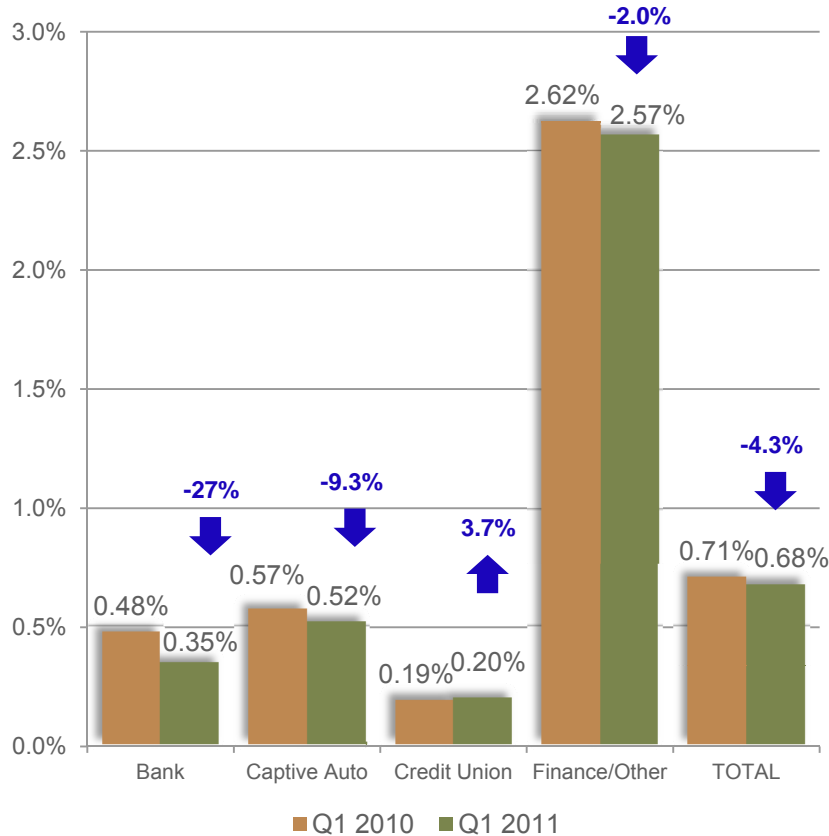
Source: Experian-Oliver Wyman Market Intelligence Reports



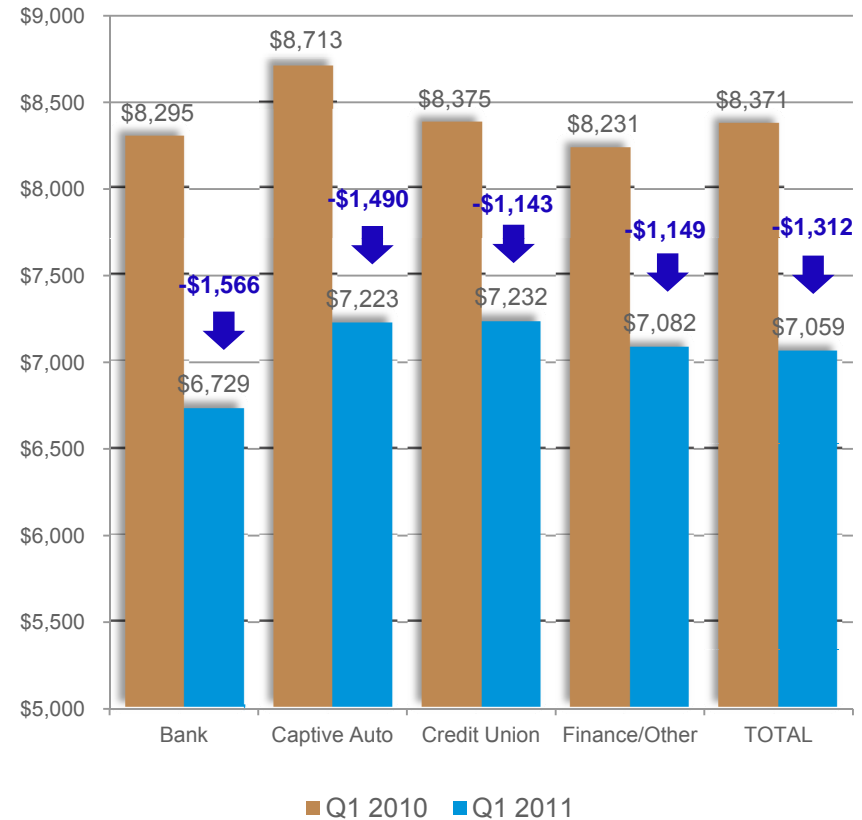
Recent Automotive Repossessions

How have repossessions changed?

Quarterly Repossession Rate



Average Charge-Off Amount



YOY Change

Source: Experian-Oliver Wyman Market Intelligence Reports



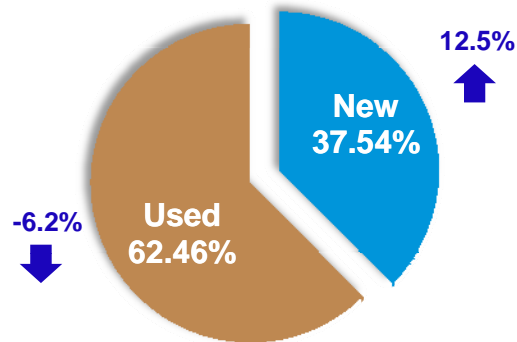


Automotive financing in the first quarter 2011

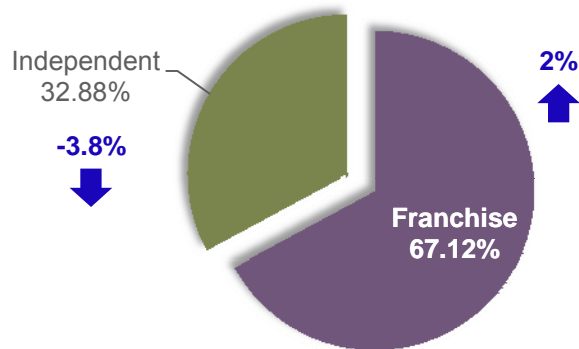
Market Snapshot on Vehicle Financing

How has financing on vehicles changed?

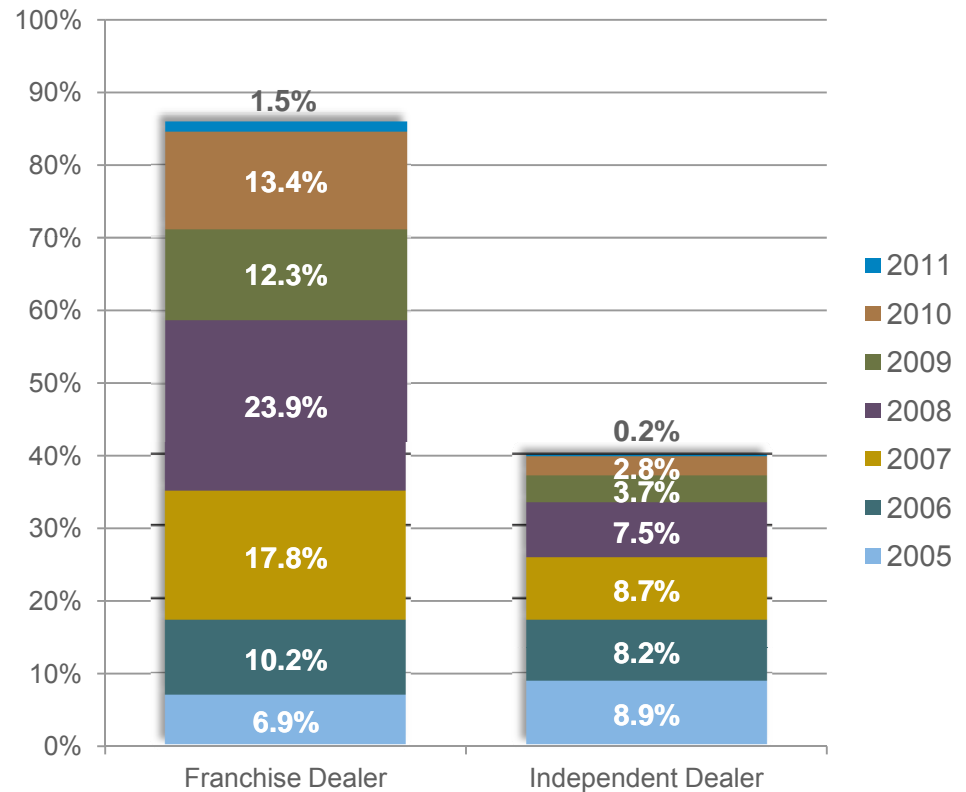
Financing by Vehicle Type



Used Financing by Dealer Type



Used Financing by Model Year



YOY Change

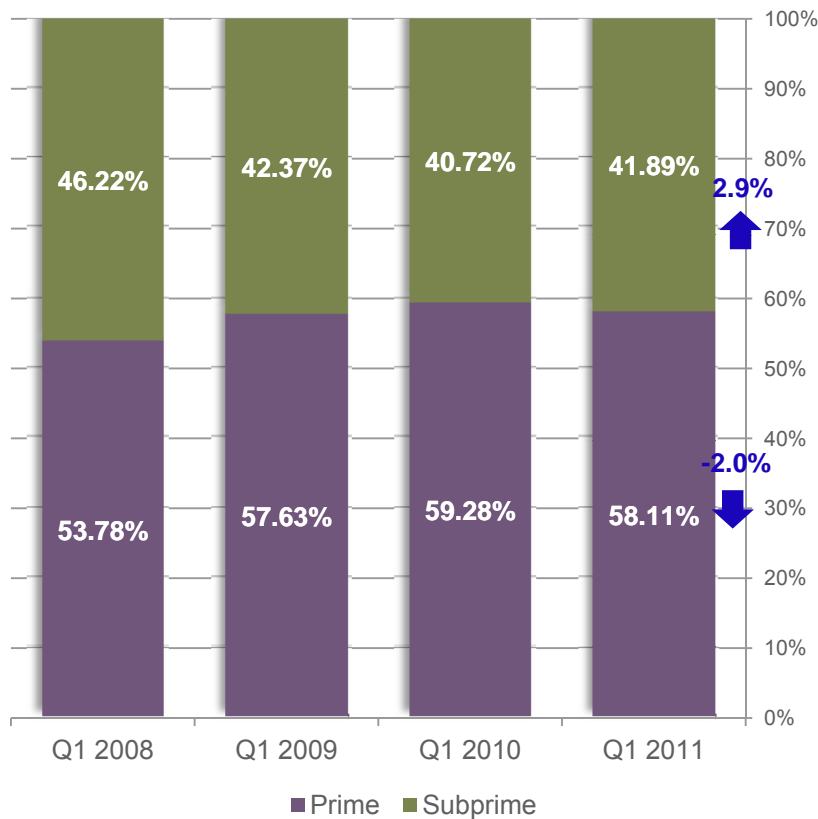
Source: Experian Automotive



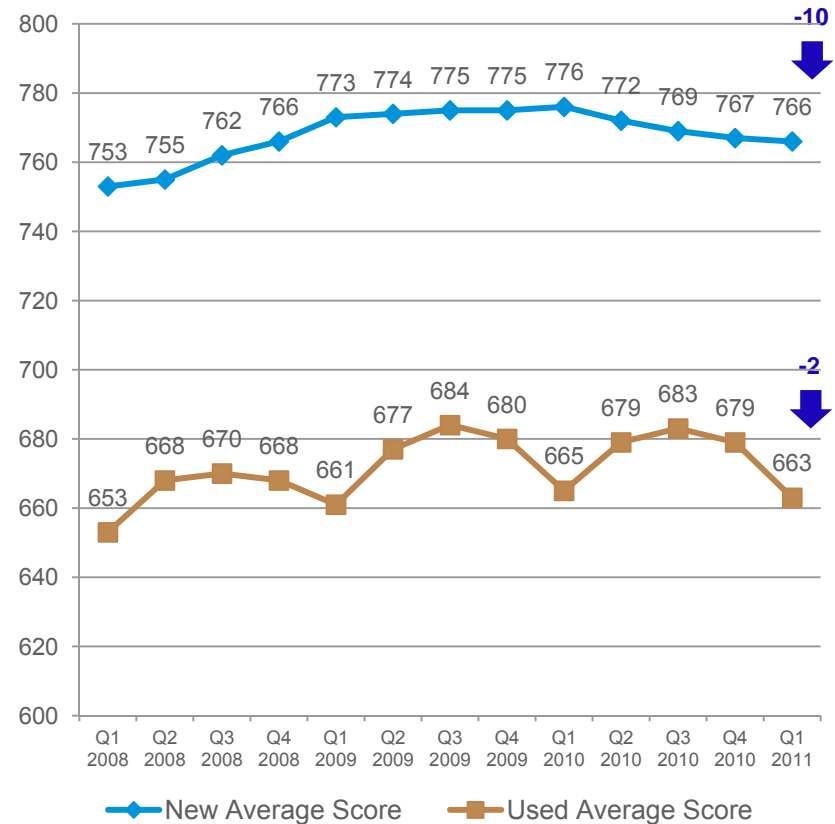
Market Snapshot on Vehicle Financing

How has financing on vehicles changed?

Financing by Risk Segment



Average Credit Scores



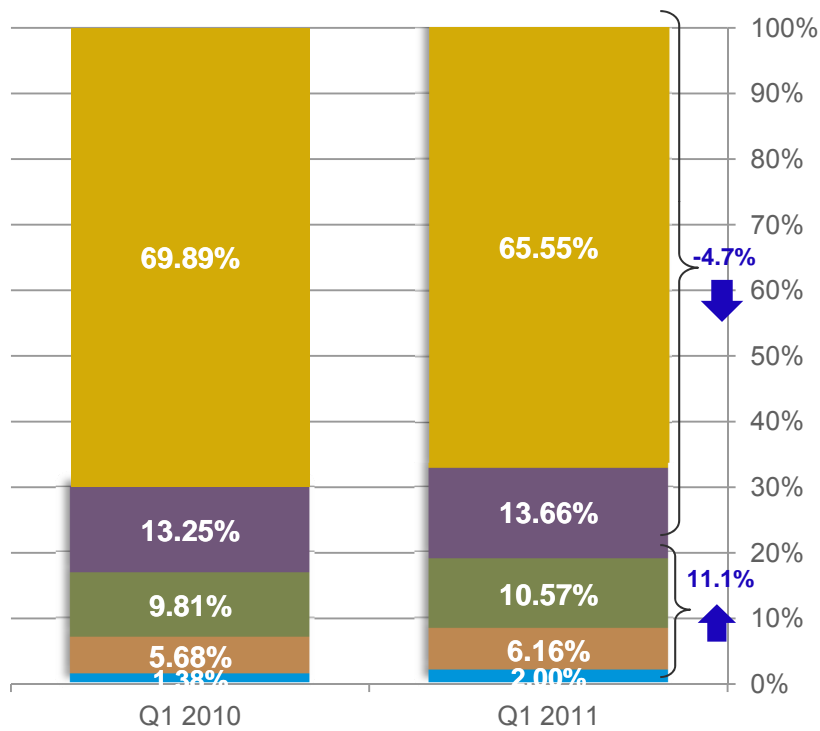
Source: Experian Automotive



Quarterly Financing for New Vehicles

How has credit changed for new financing?

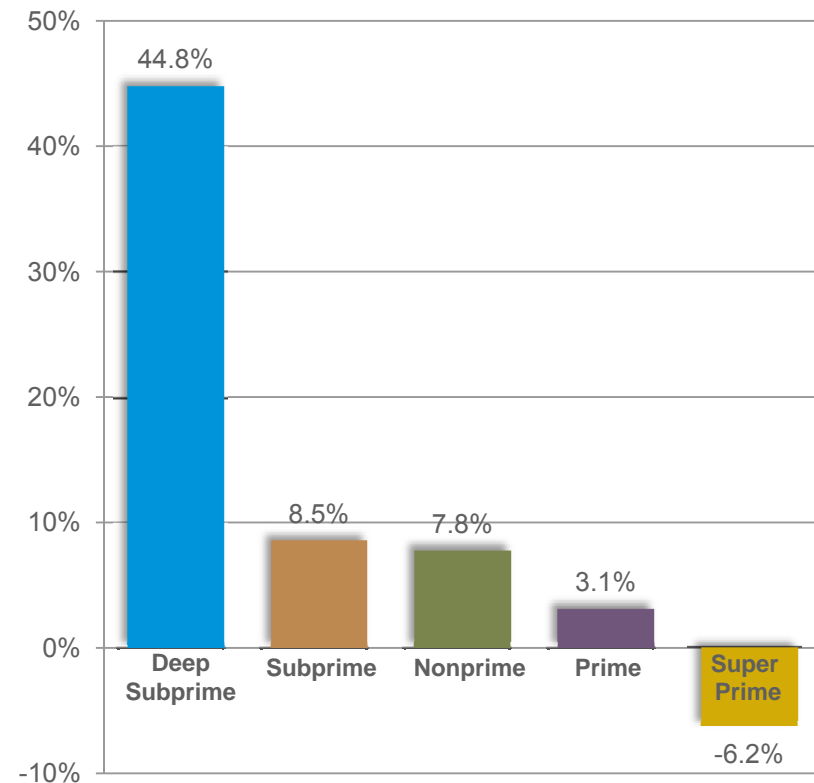
New Vehicle Financing by Risk Segmentation



■ Deep Subprime ■ Subprime ■ Nonprime ■ Prime ■ Super Prime
 YOY Change

Source: Experian Automotive

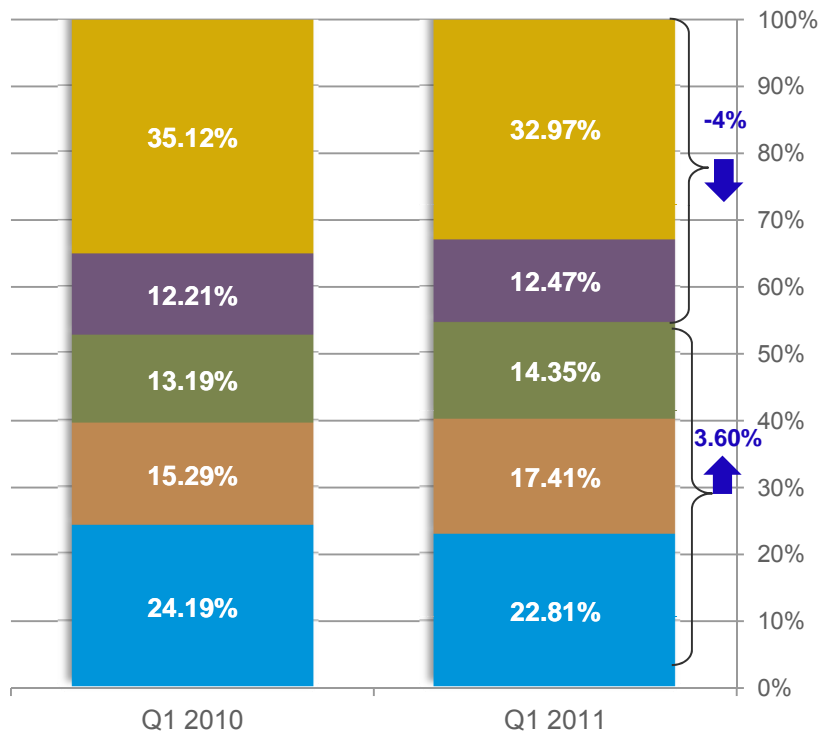
Year-over-Year Change in Risk Distribution



Quarterly Financing for Used Vehicles

How has credit changed for used financing?

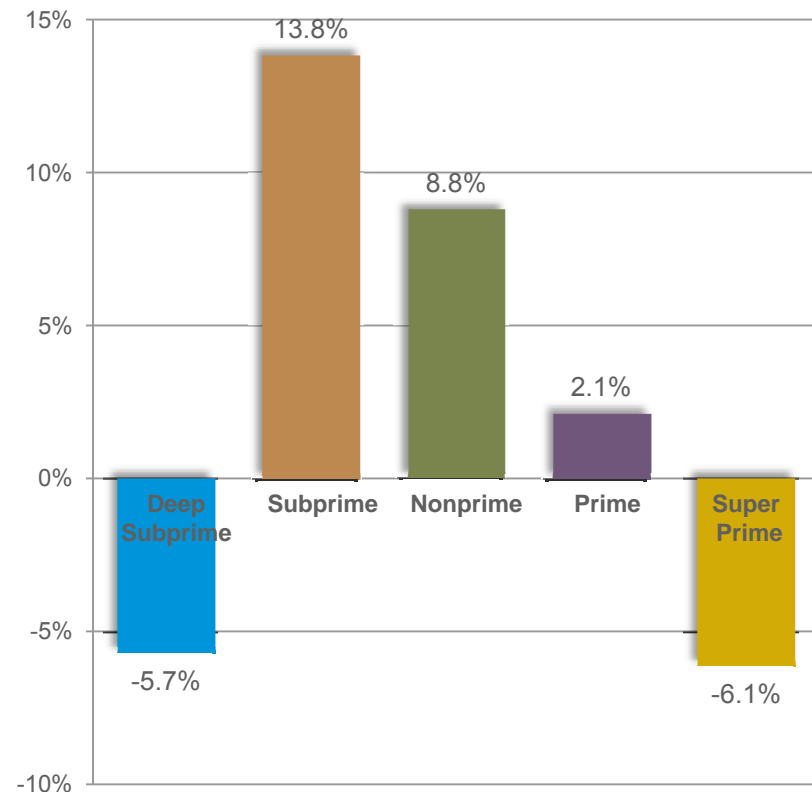
Used Vehicle Financing by Risk Segmentation



■ Deep Subprime ■ Subprime ■ Nonprime ■ Prime ■ Super Prime
 YOY Change

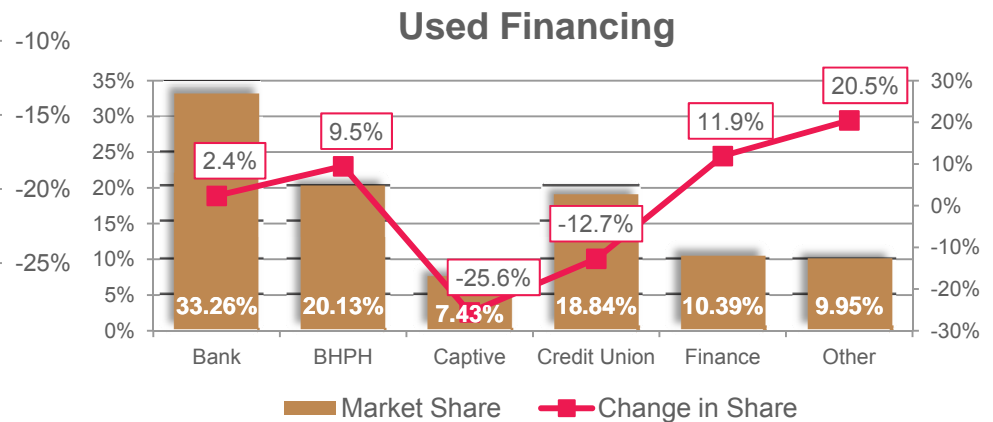
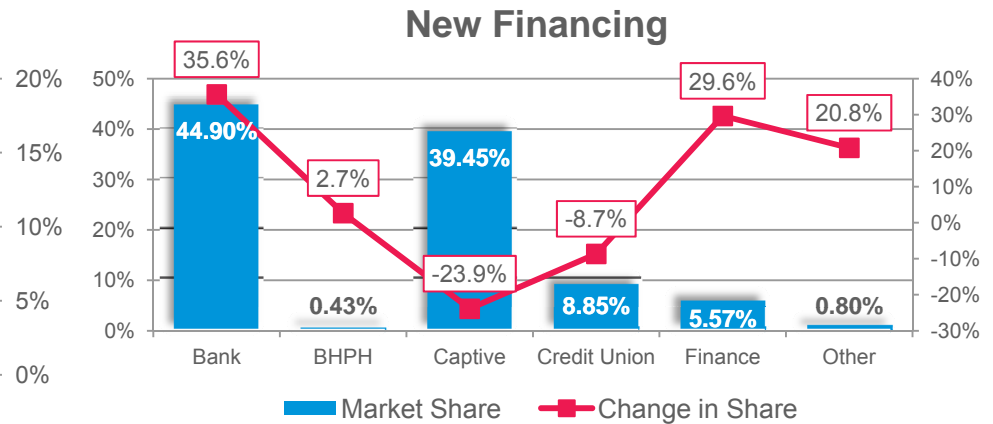
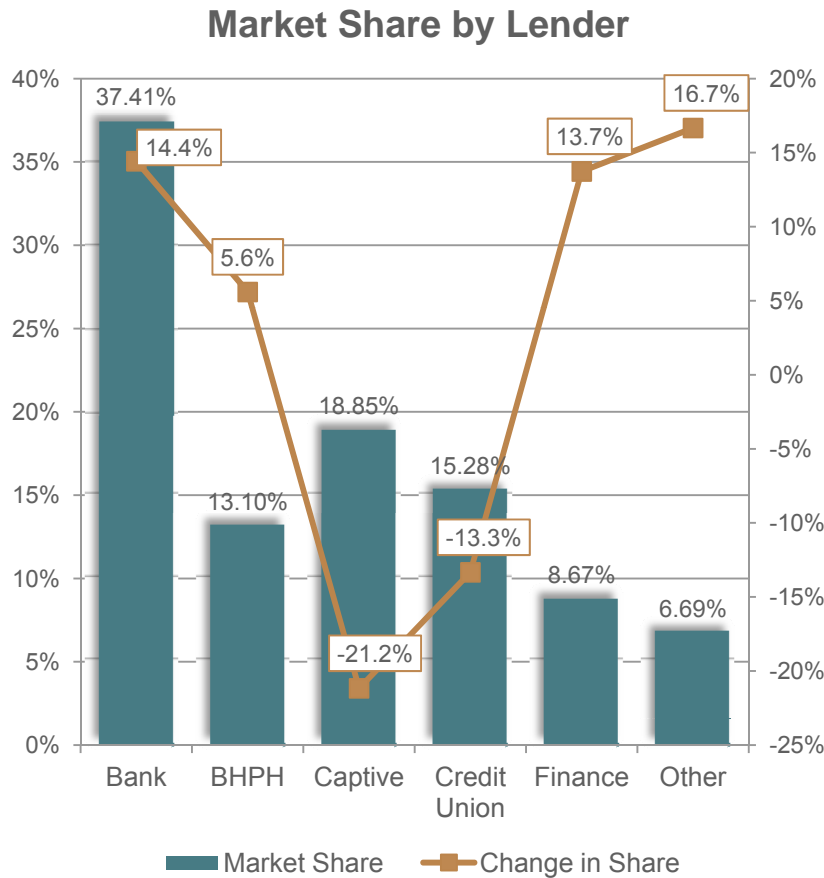
Source: Experian Automotive

Year-over-Year Change in Risk Distribution



Automotive Finance by Lender Type

What lenders are gaining share?



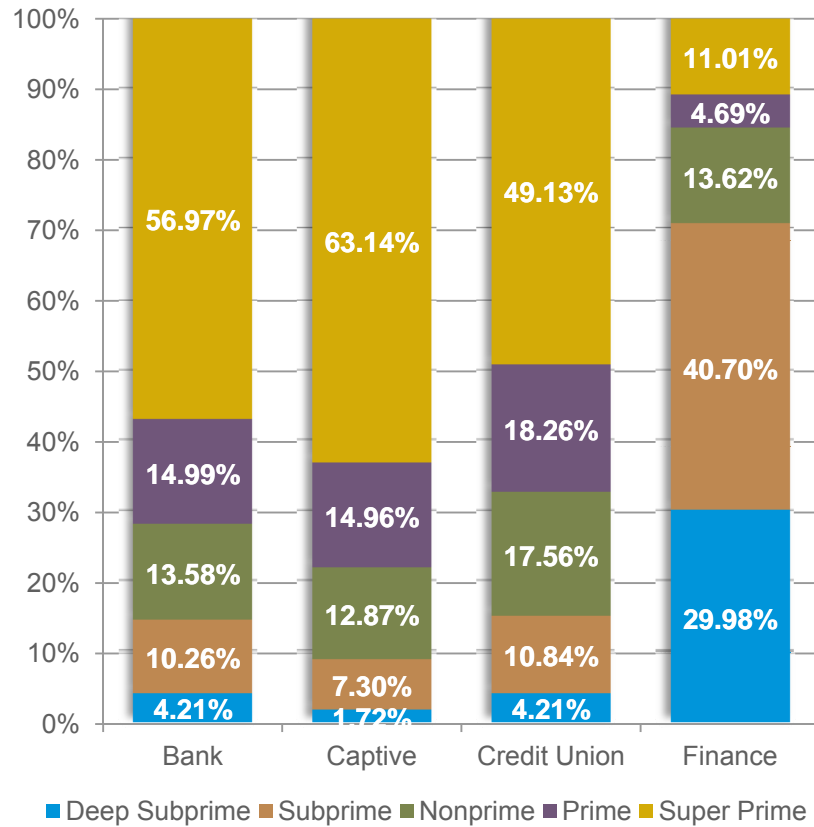
Source: Experian Automotive



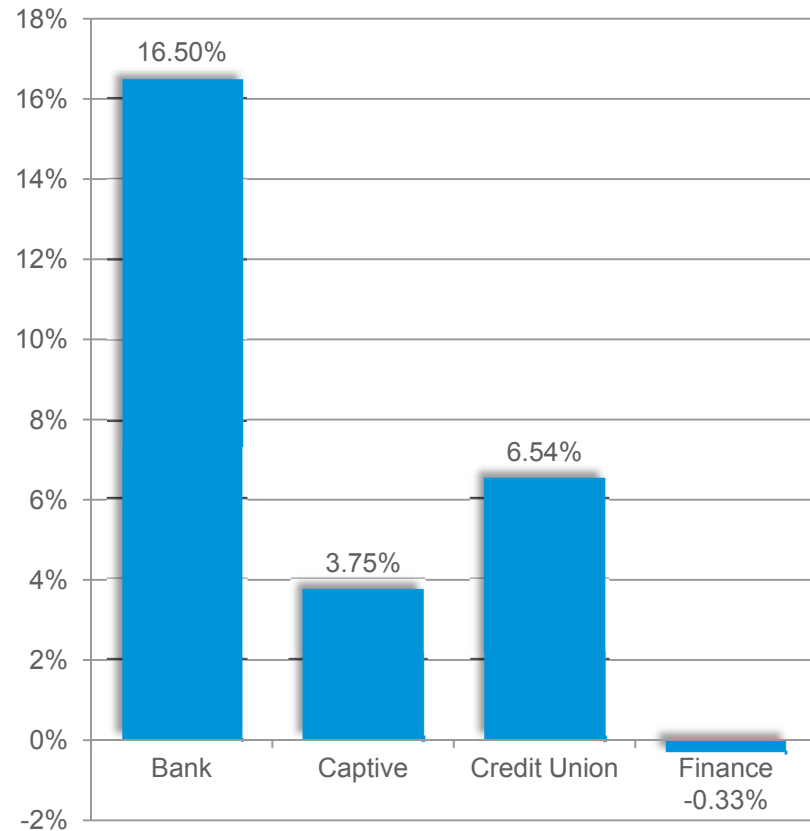
Risk Distribution by Lender Type

How have the lenders shifted?

Lender Type by Risk Distribution



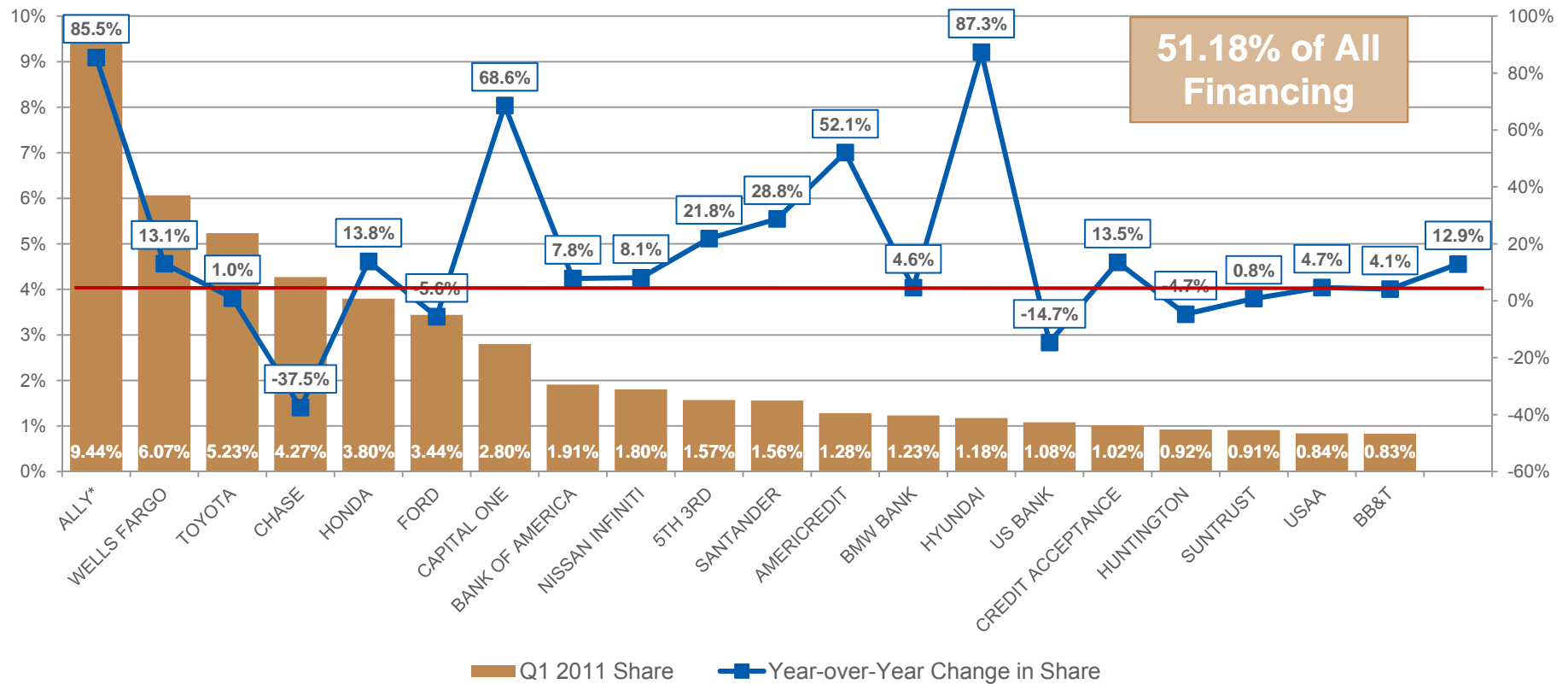
Change in Outside of Prime



Top 20 Lenders by Market Share

Who gained or lost share?

Top 20 Lenders: Total Loan



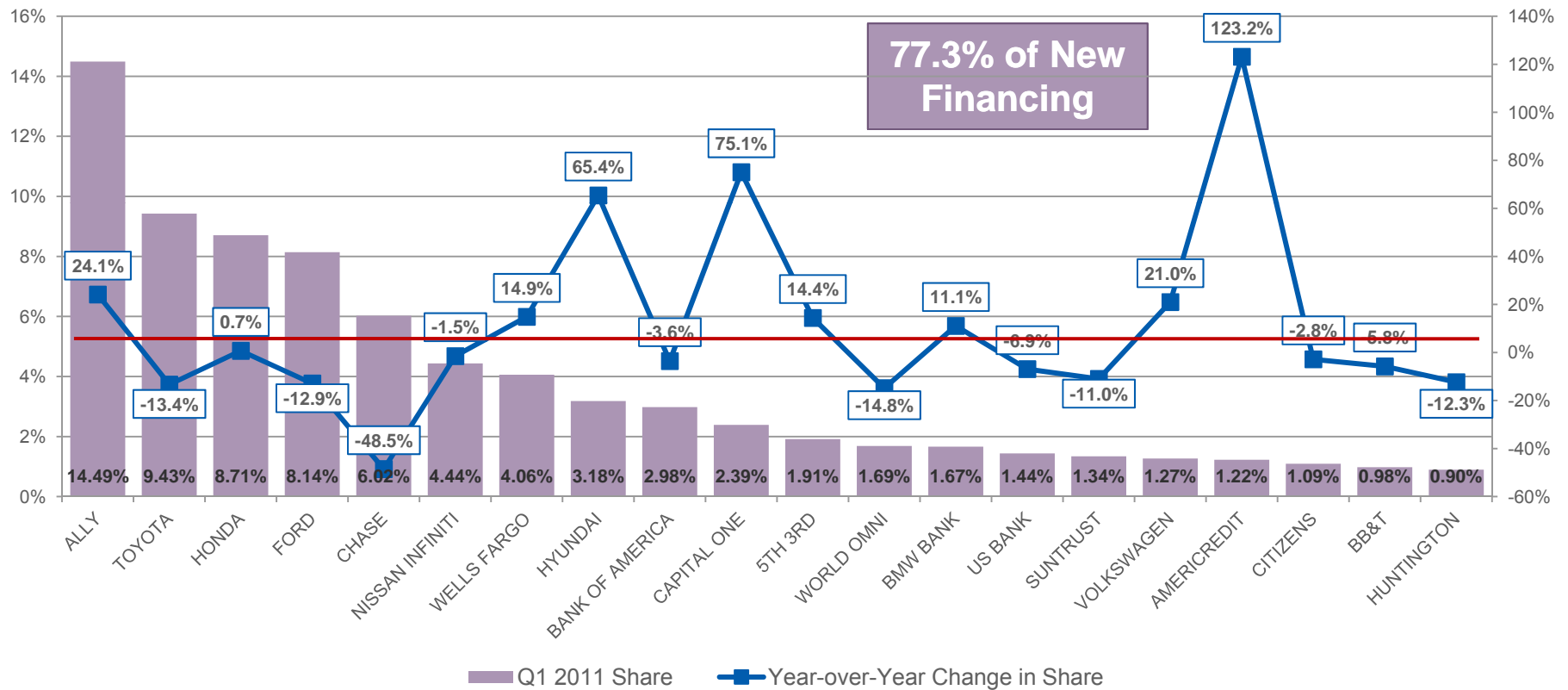
Source: Experian Automotive



Top 20 New Lenders by Market Share

Who gained or lost share on New Vehicle Financing?

Top 20 New Lenders by Market Share



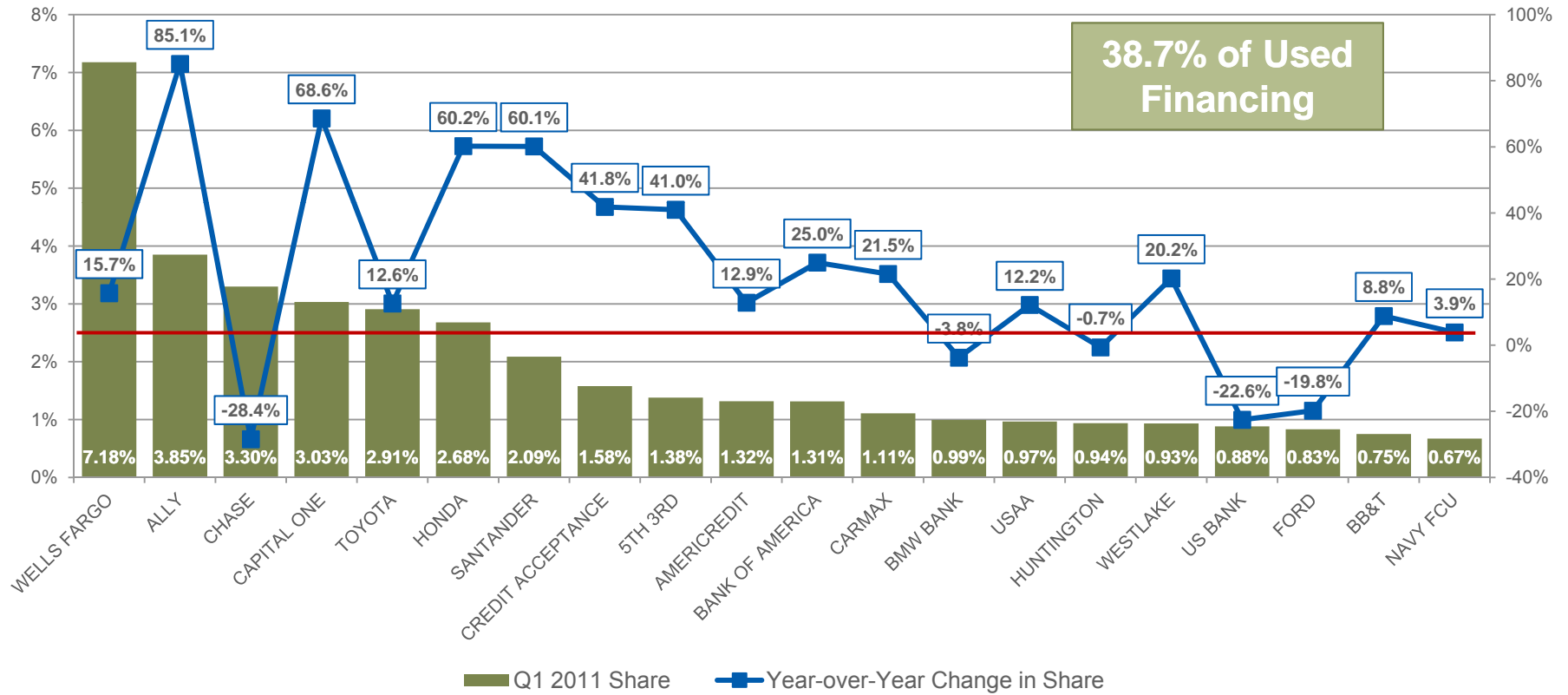
Source: Experian Automotive



Top 20 Used Lenders by Market Share

Who gained or lost share on Used Vehicle Financing?

Top 20 Used Auto Lenders by Market Share



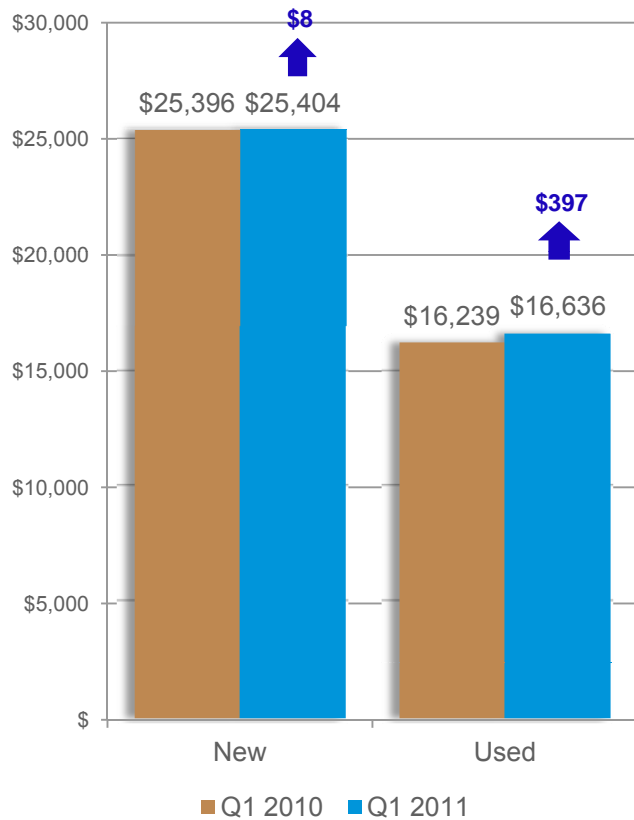
Source: Experian Automotive



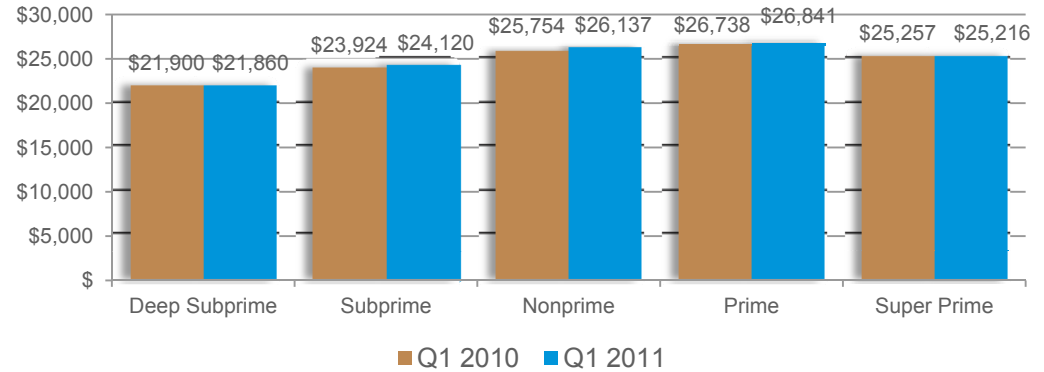
Vehicle Financing

How has financing changed?

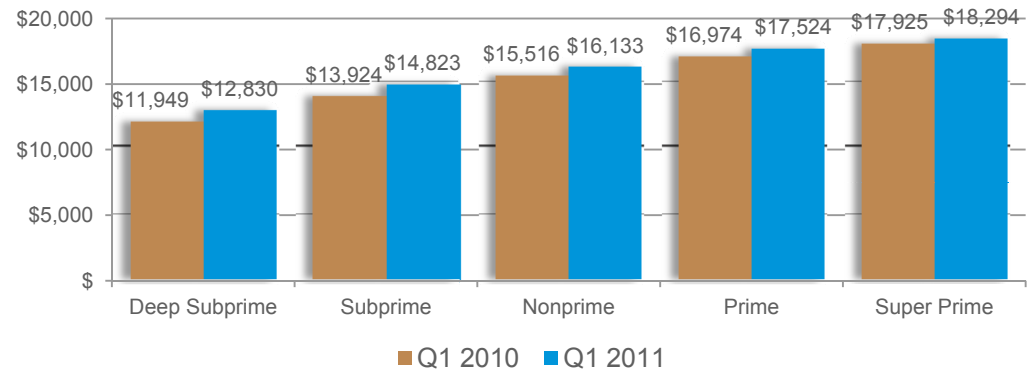
Average Amount Financed



Average Amount Financed: New Vehicles



Average Amount Financed: Used Vehicles



YOY Change

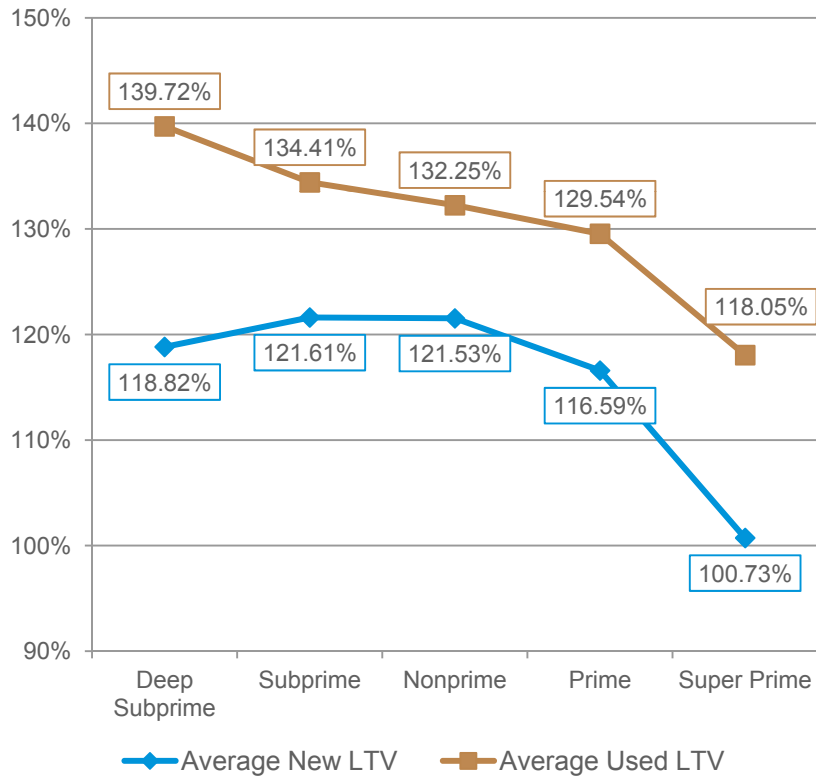
Source: Experian Automotive



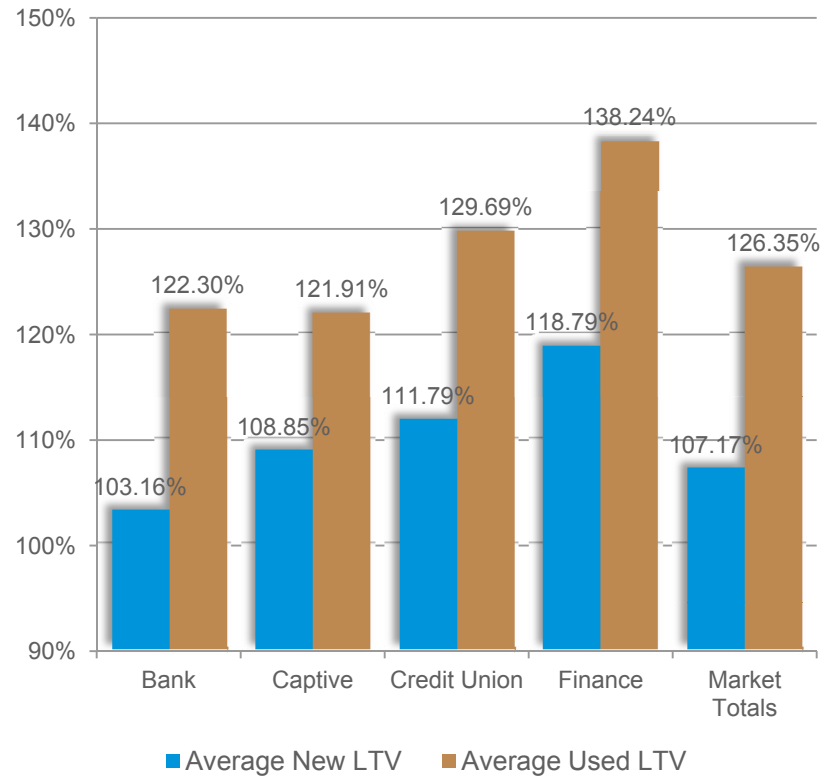
Vehicle Values and Loan-to-Value

How do the lenders and risk segments compare?

Average Loan-to-Value by Risk Segment



Average Loan-to-Value by Lender Type



Source: Experian Automotive and NADA Used Car Guides



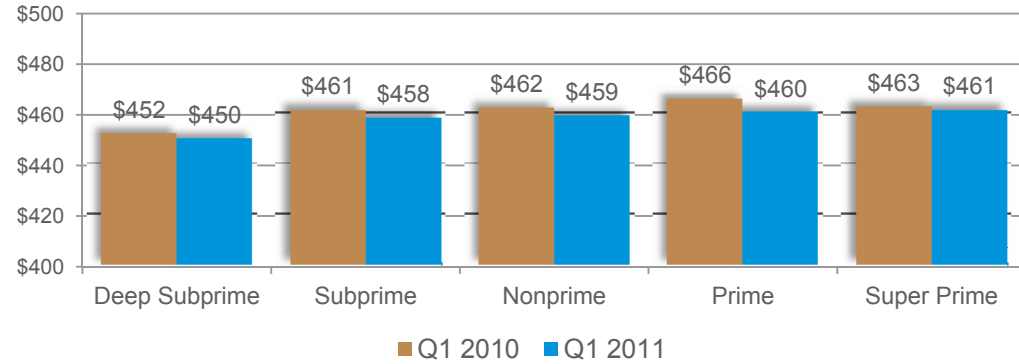
Vehicle Payments

How have monthly payments changed?

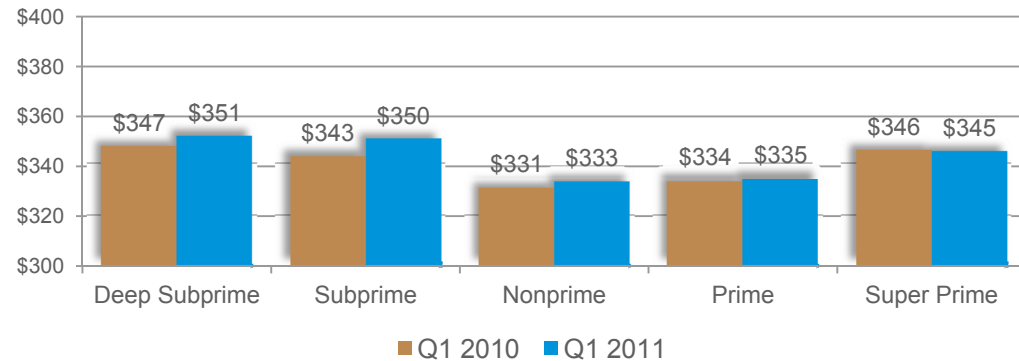
Average Monthly Payment



Average Monthly Payment: New Vehicles



Average Monthly Payment Used Vehicles



YOY Change

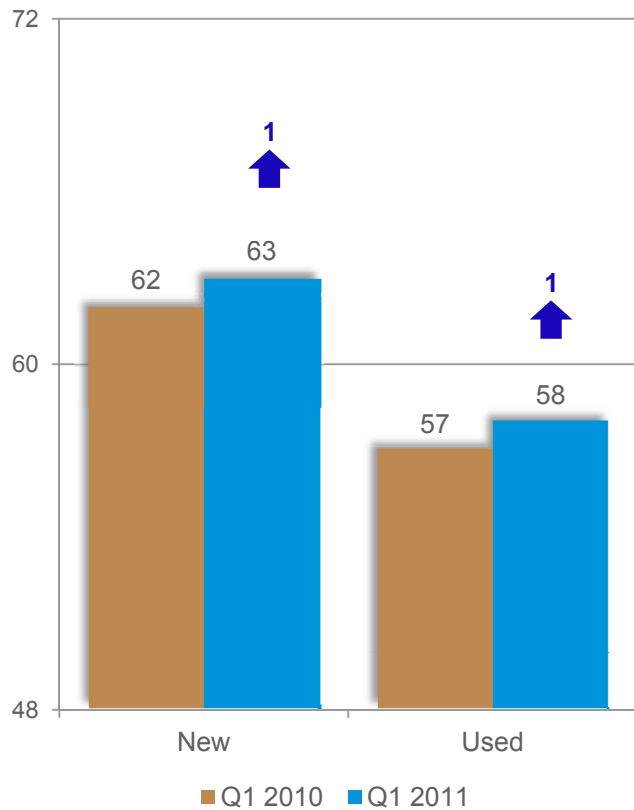
Source: Experian Automotive



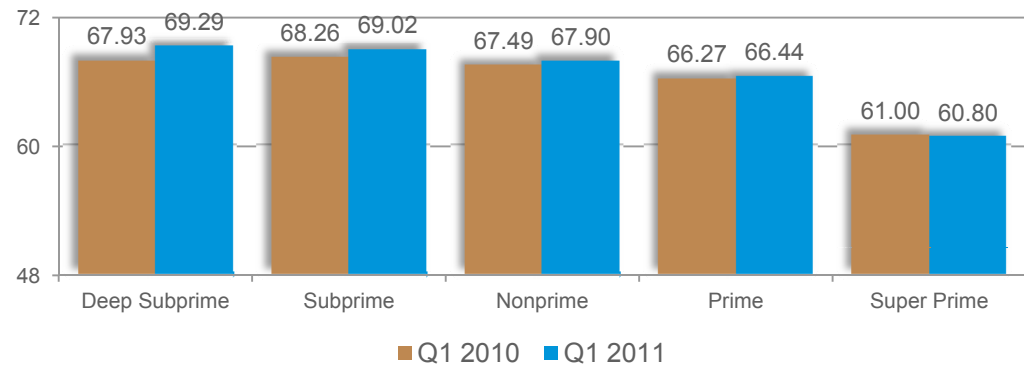
Vehicle Loan Terms

How have terms changed?

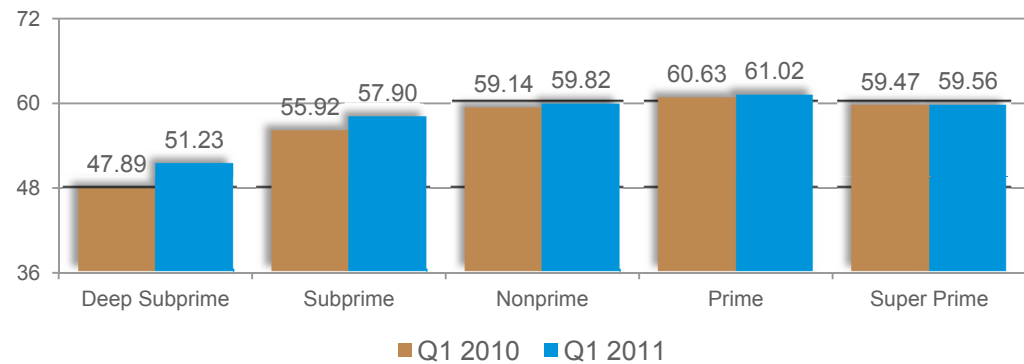
Average Term



Average Term: New Vehicles



Average Term: Used Vehicles



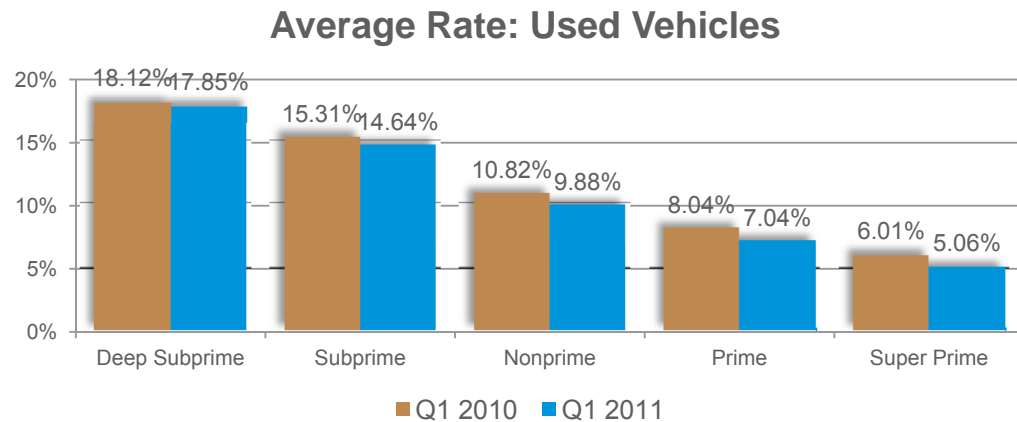
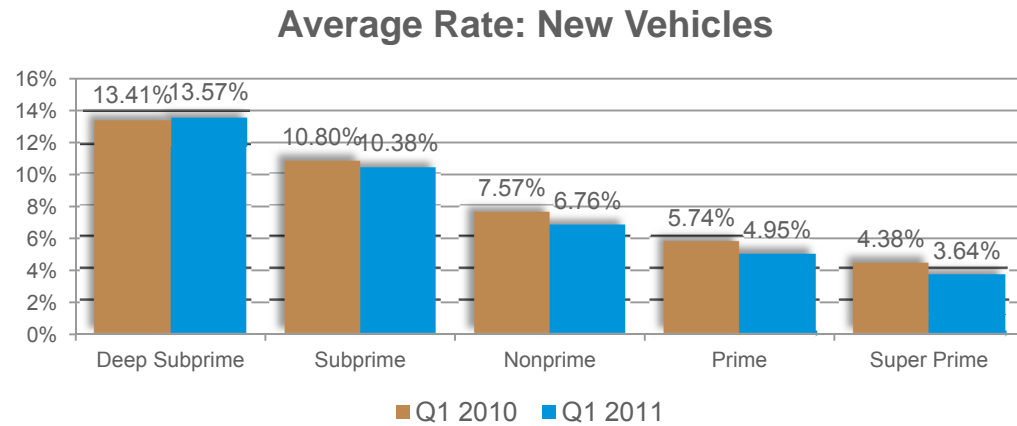
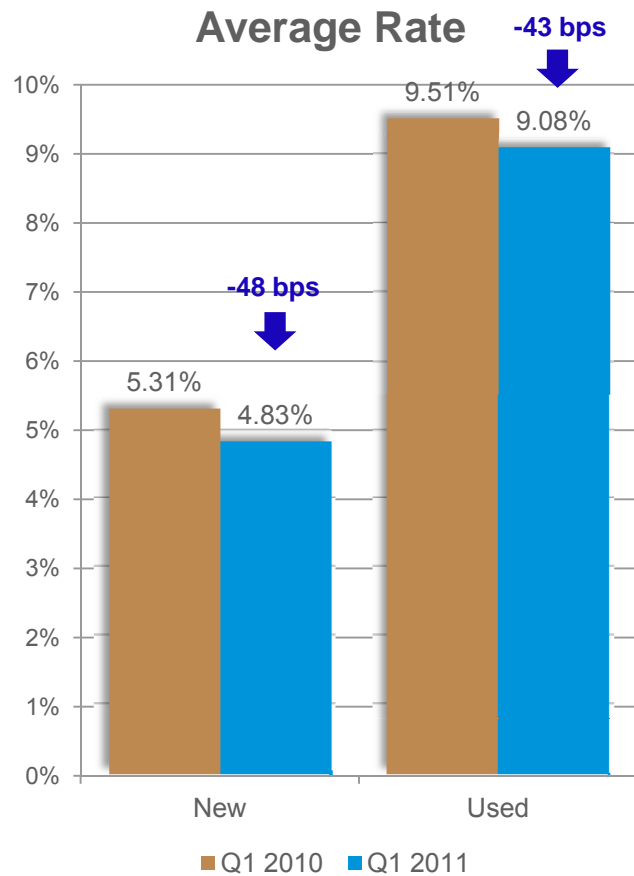
YOY Change

Source: Experian Automotive



Vehicle Loan Rate

How have rates changed?



YOY Change

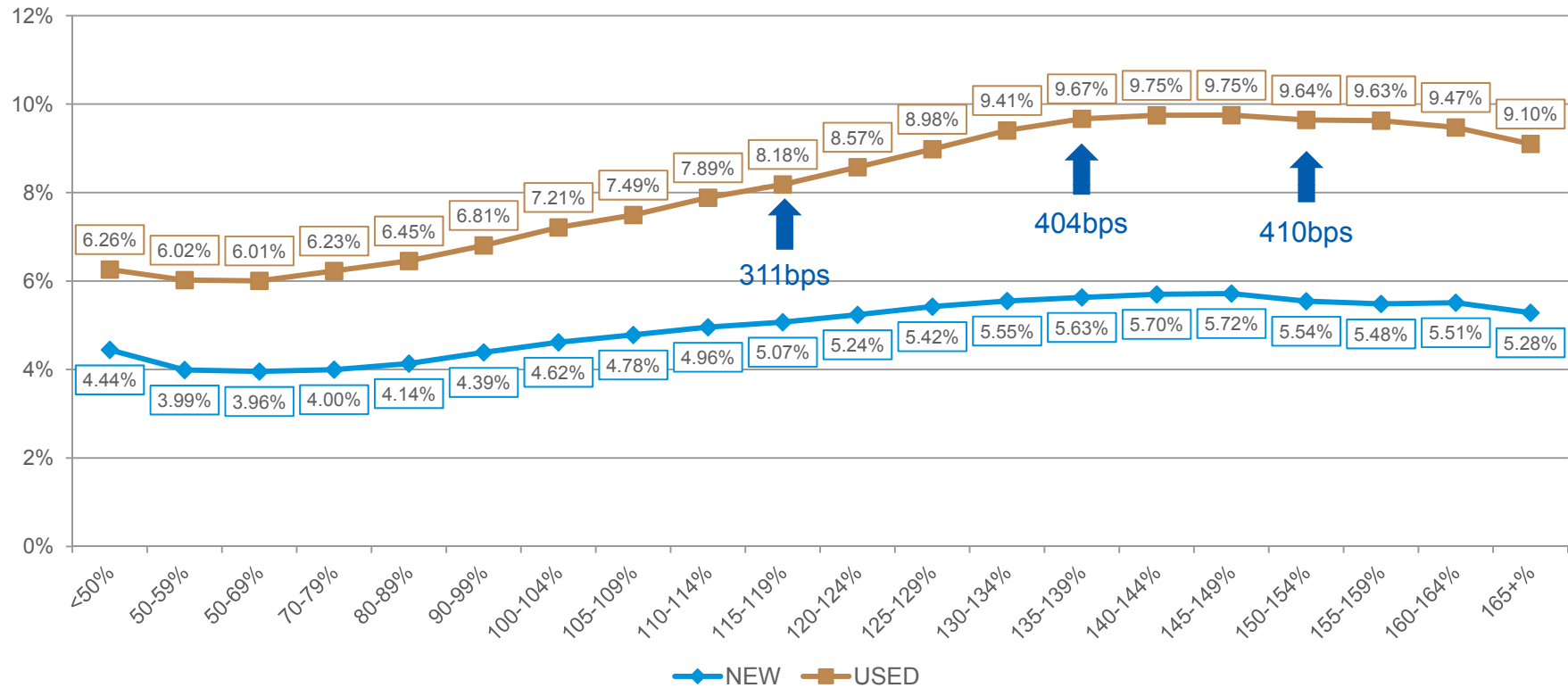
Source: Experian Automotive



Average Rates by LTV

How do rates and scores vary by LTV?

Average Rates by LTV



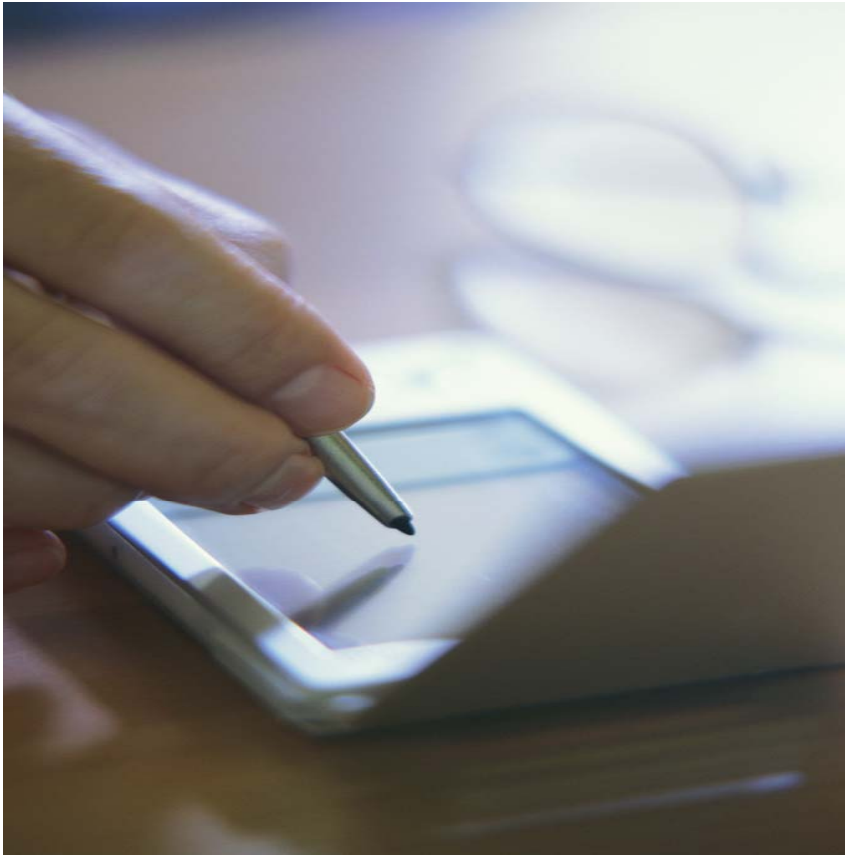
Source: Experian Automotive and NADA Used Car Guides



In Summary

- Overall, open portfolios are still strong with a slight increase (\$3 billion/0.5%) over last year
- Strong improvement in both 30 and 60 day delinquencies
- Credit continues to loosen on originations
 - ▶ All of Subprime is up 11.1% on New; 3.6% on Used
 - ▶ Average scores continue to decrease
 - ▶ Slight shift in Used finance toward older model vehicles
- Financing and payments relatively flat to last year
 - ▶ Terms increasing among highest risk segments
 - ▶ Rates decreasing for both new and used

Mark your calendars



Q2 2011
Automotive Credit
Trends Briefing

August 30, 2011

