



State of the Automotive Finance Market Second Quarter 2015

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Session overview



Originations

- New and Used financing
- Lender and transaction types
- Loan/lease characteristics & scores

Market overview

- Outstanding loan balances
 - Portfolio risk distributions
 - Delinquency rates





VantageScore 3.0 ranges

Score ranges	
Category	VantageScore [®] 3.0
Super prime	781 – 850
Prime	661 – 780
Nonprime	601 – 660
Subprime	501 – 600
Deep subprime	300 – 500

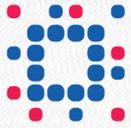


VantageScore
a higher level of confidence



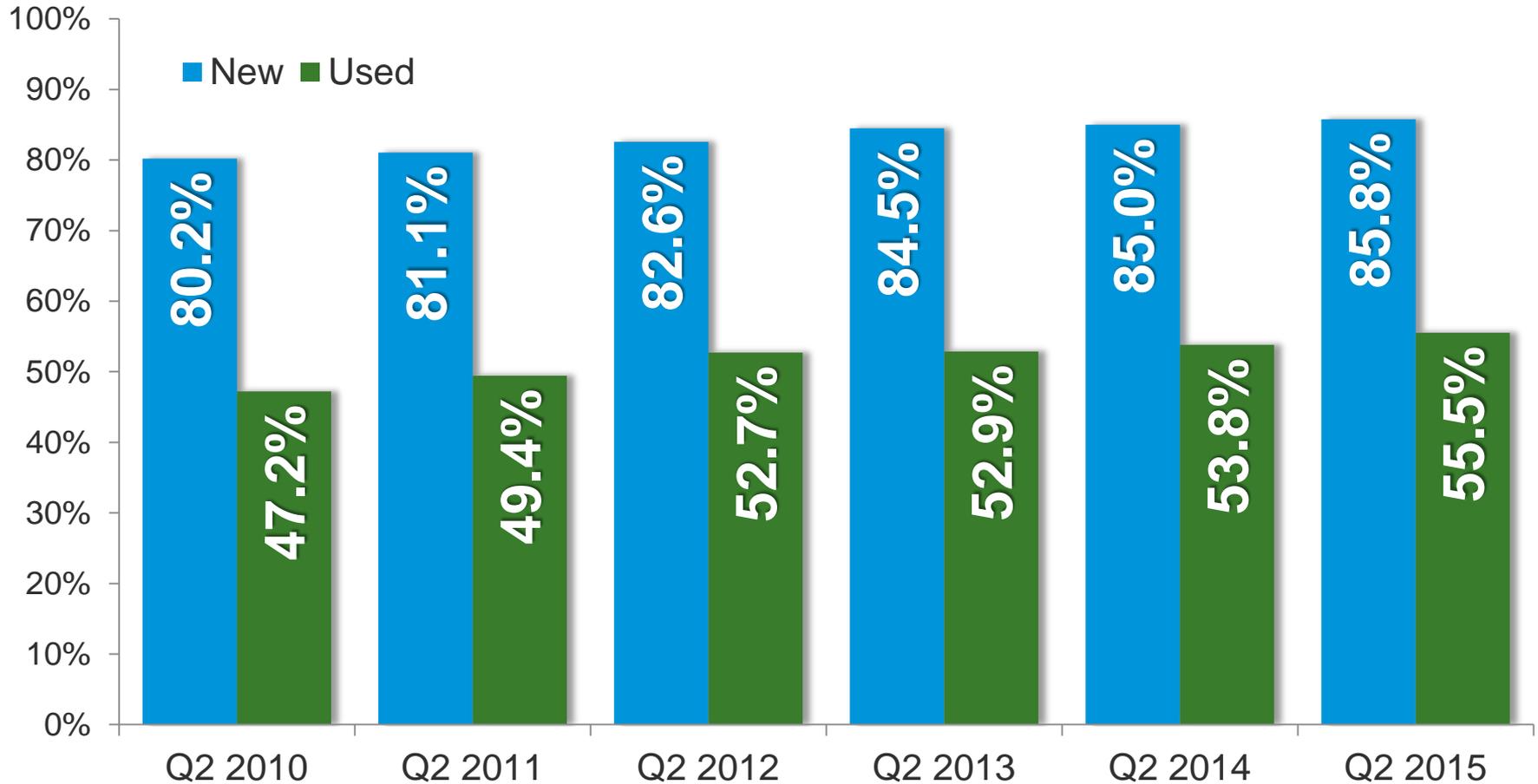
Originations

New and used lending



Growing reliance upon financing

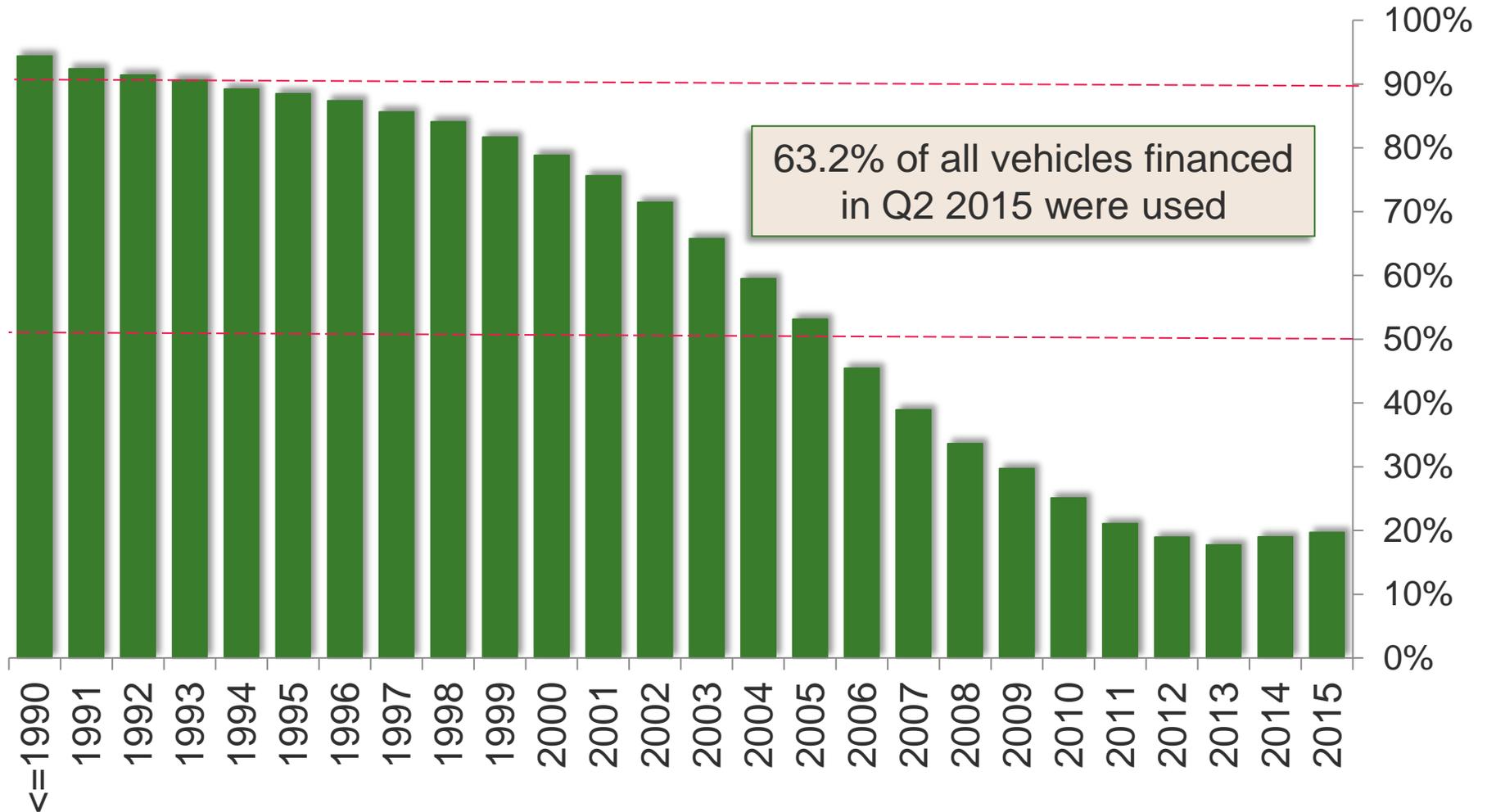
Percentage of vehicles with financing



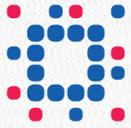
Source: Experian Automotive



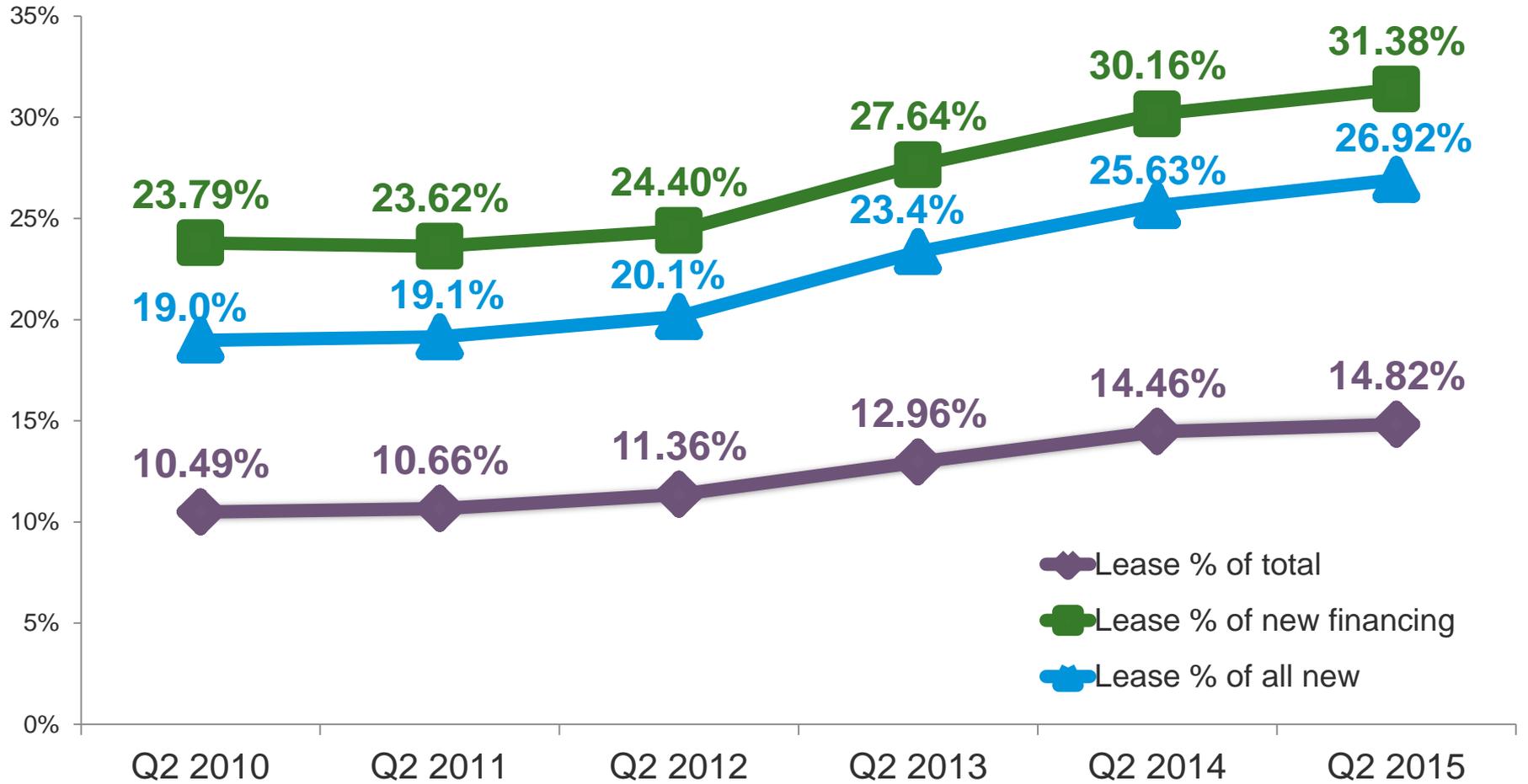
Percentage of used model year vehicles without loans



Source: Experian Automotive



Consumer leasing

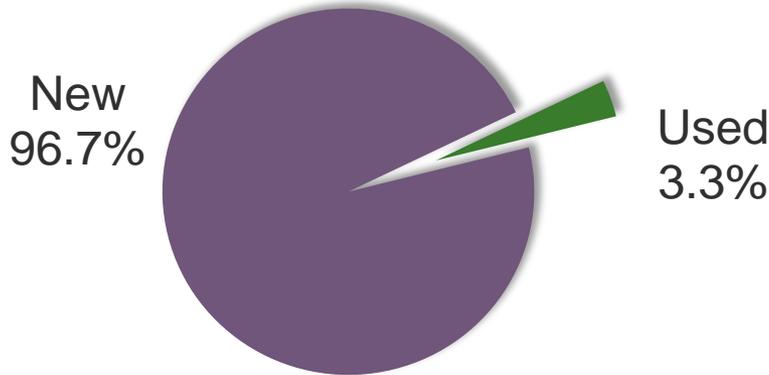


Source: Experian Automotive

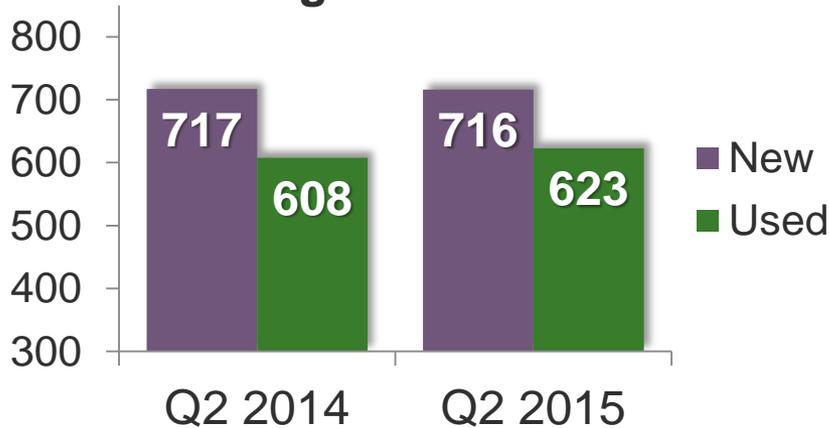


Leasing and consumer credit

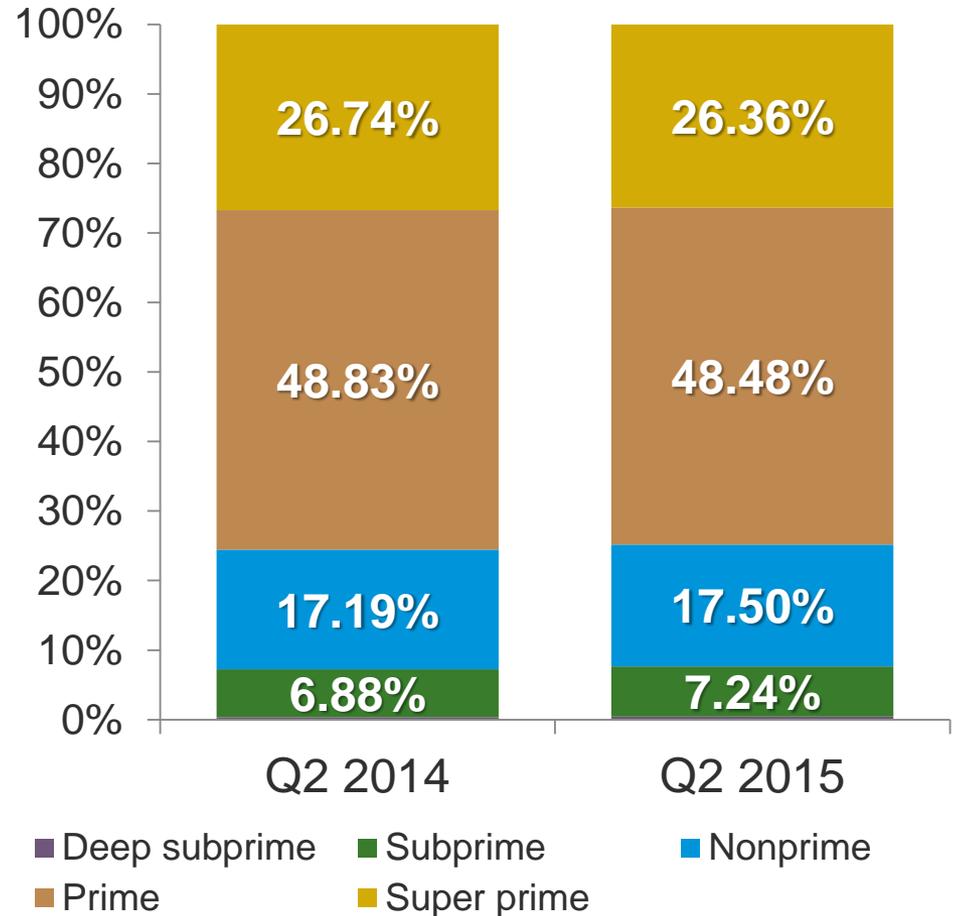
Lease by vehicle type



Average lease scores



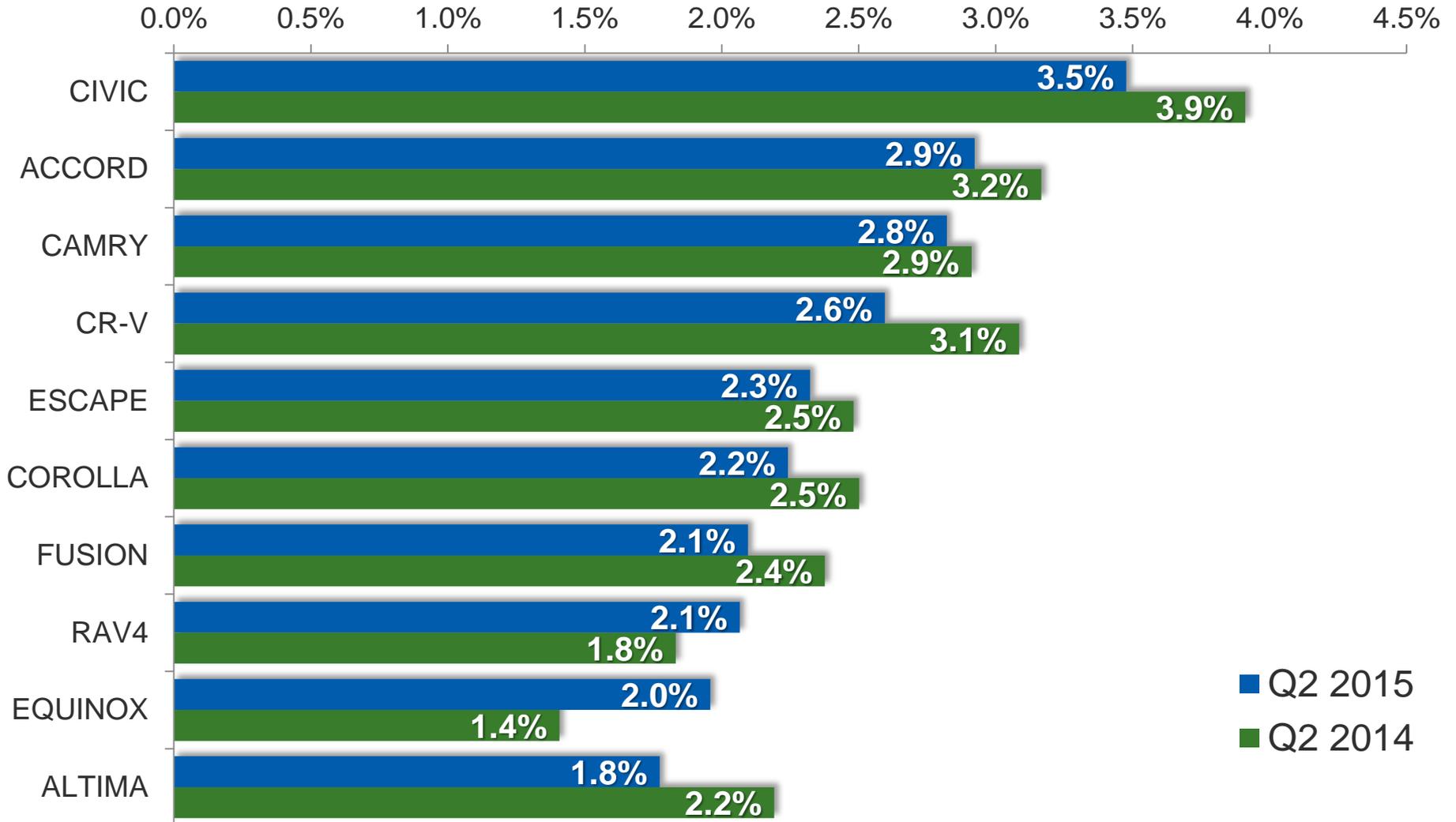
New leasing by risk segment



Source: Experian Automotive



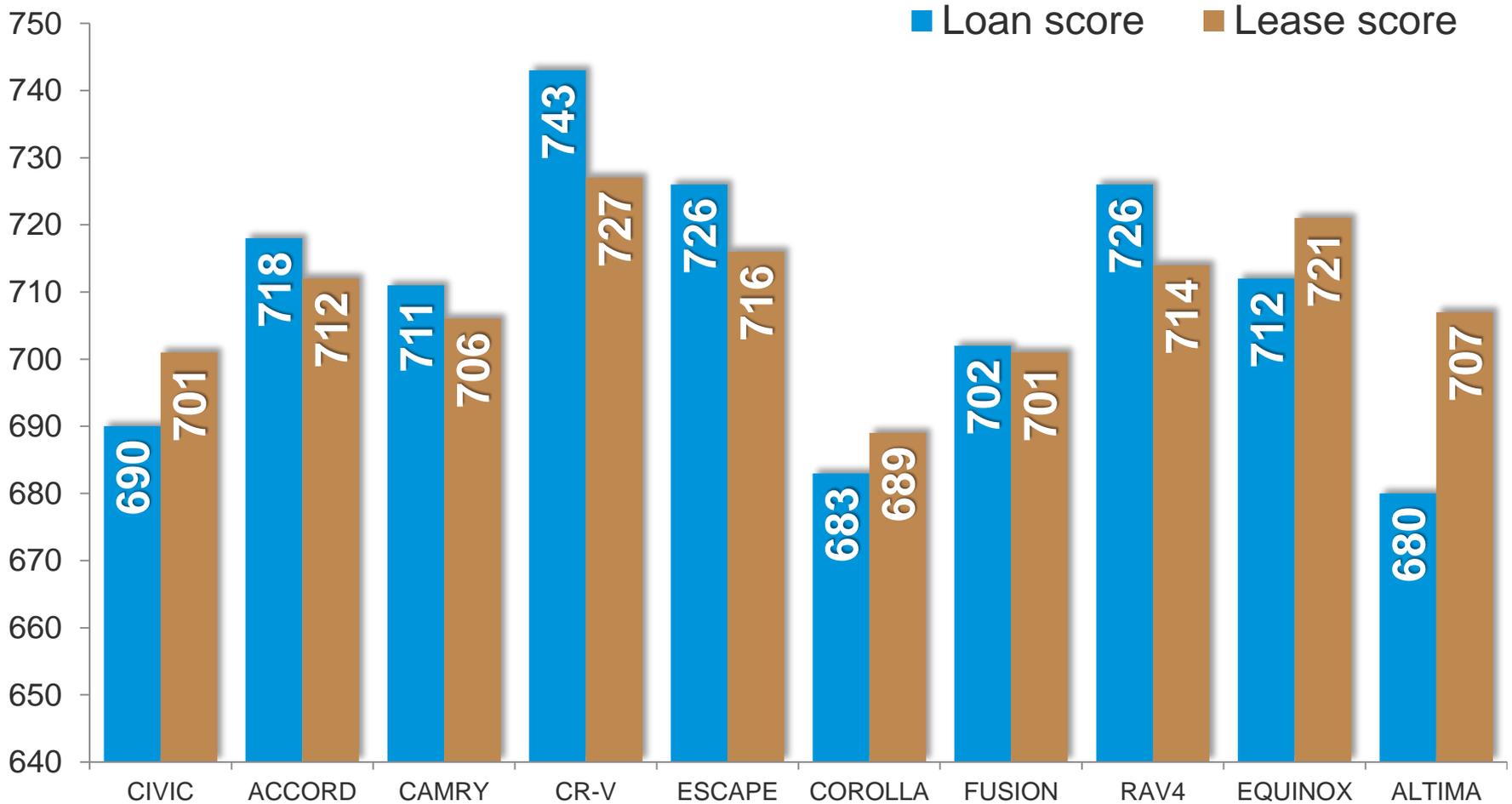
Top 10 new models based on share of the new lease market



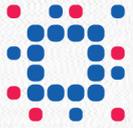
Source: Experian Automotive



Average score comparison on top new leased models

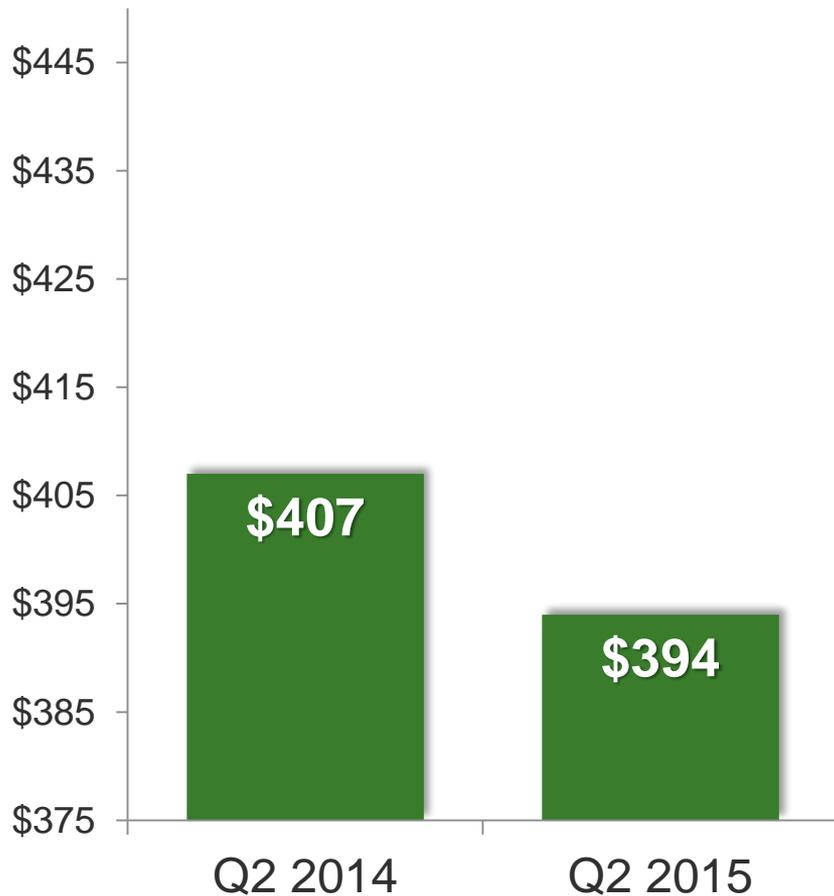


Source: Experian Automotive

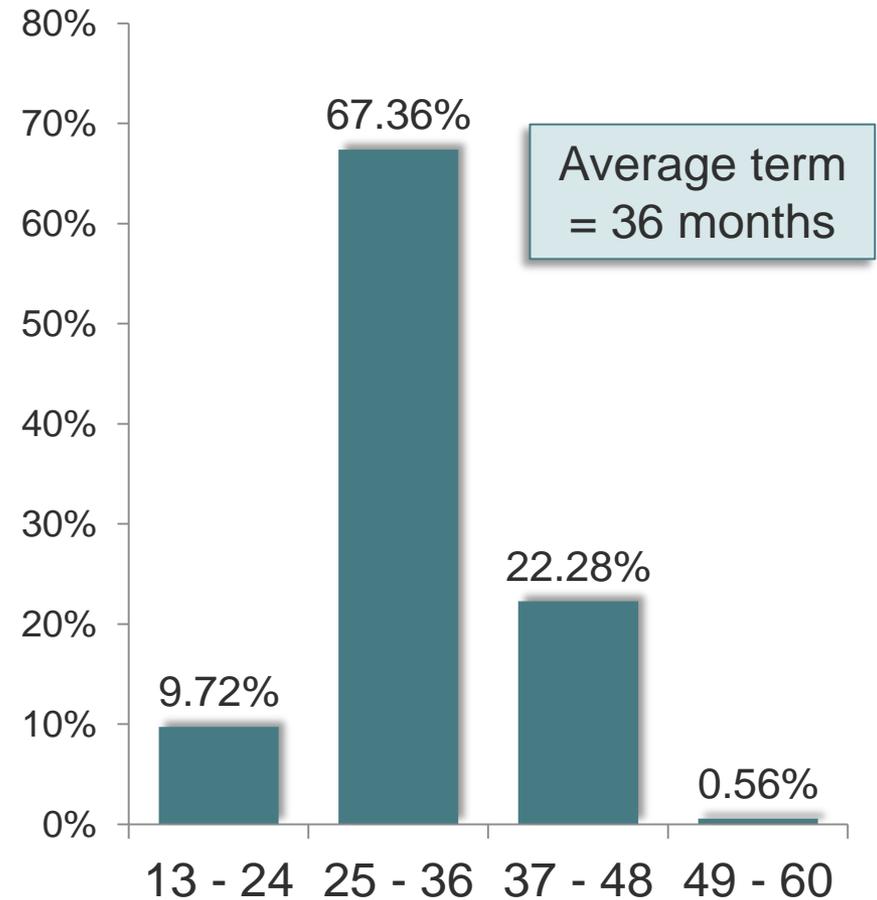


Average new lease characteristics

Average monthly payment



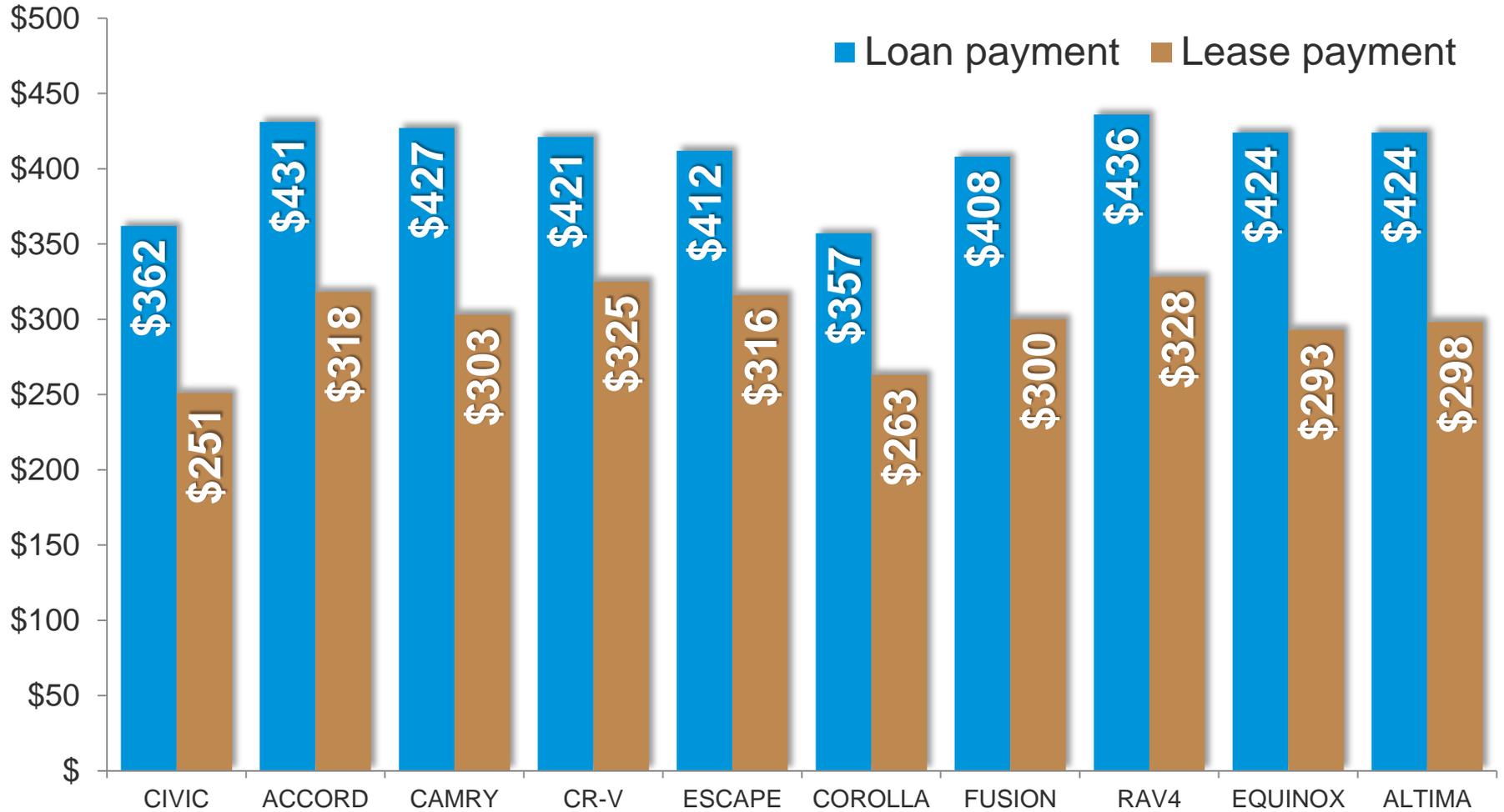
Term distribution



Source: Experian Automotive



Average payment comparison on top new leased models

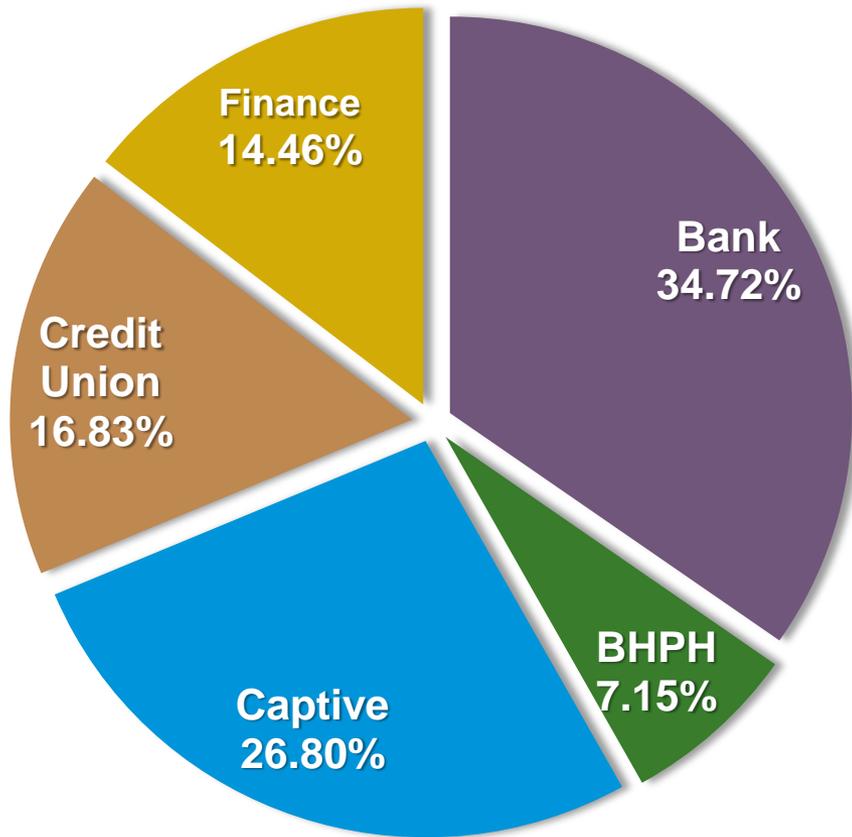


Source: Experian Automotive

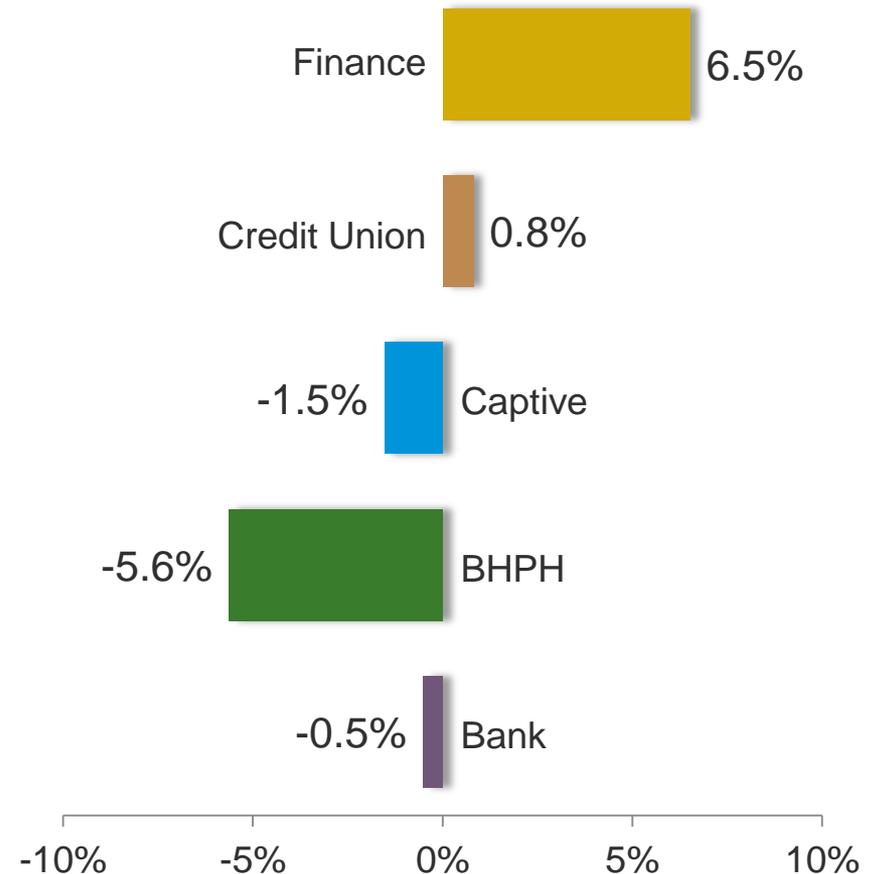


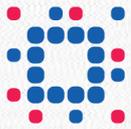
Automotive finance by lender type

Q2 2015 total loan market share



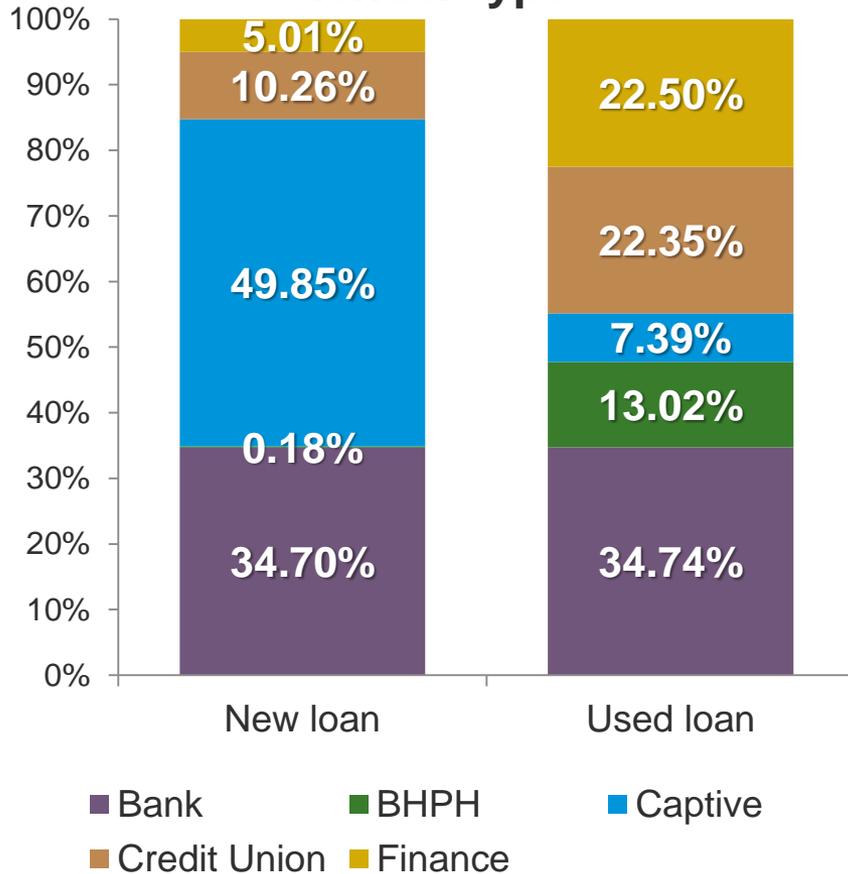
YOY change in market share



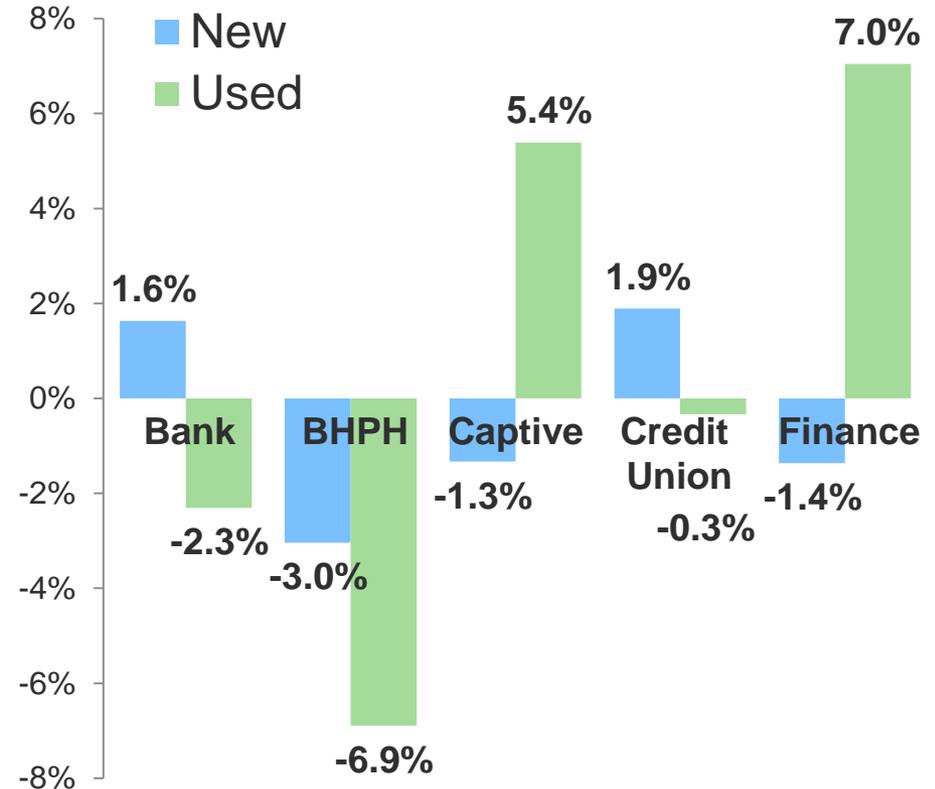


Automotive finance by lender type

Q2 2015 market share by lender type



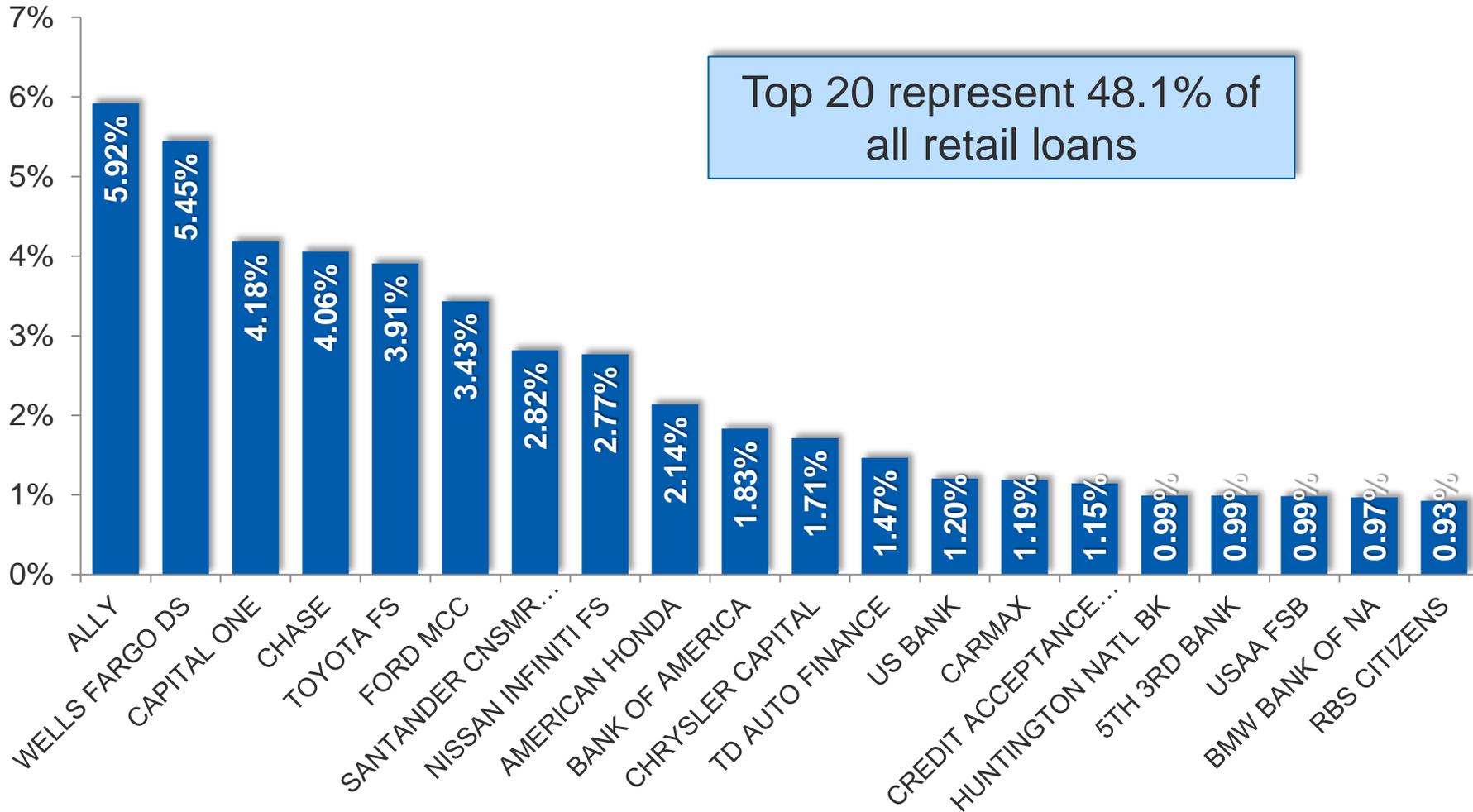
YOY Change in market share



Source: Experian Automotive



Top 20 lenders in the retail loan market





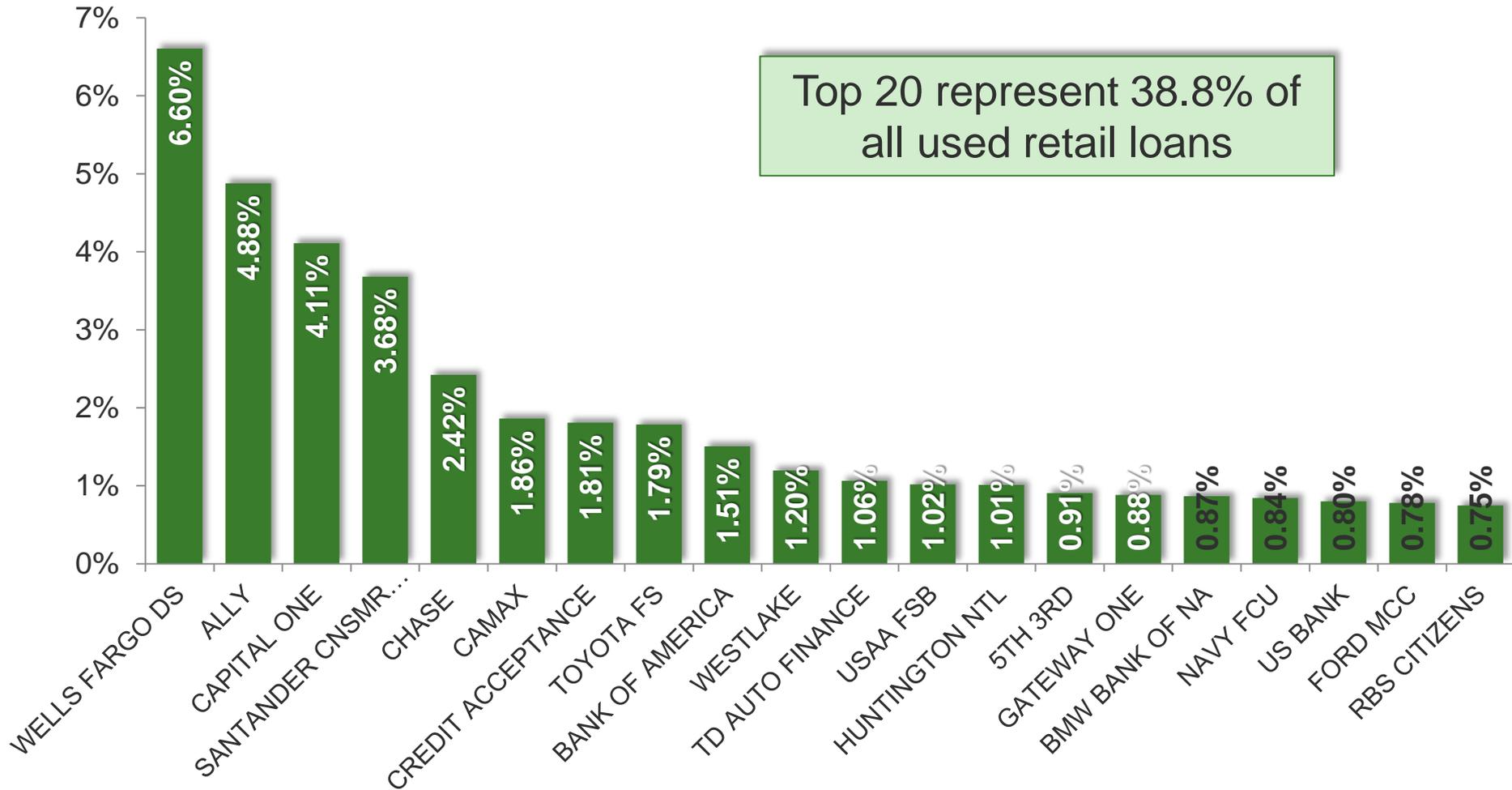
Top 20 lenders in the NEW retail loan market



Source: Experian Automotive



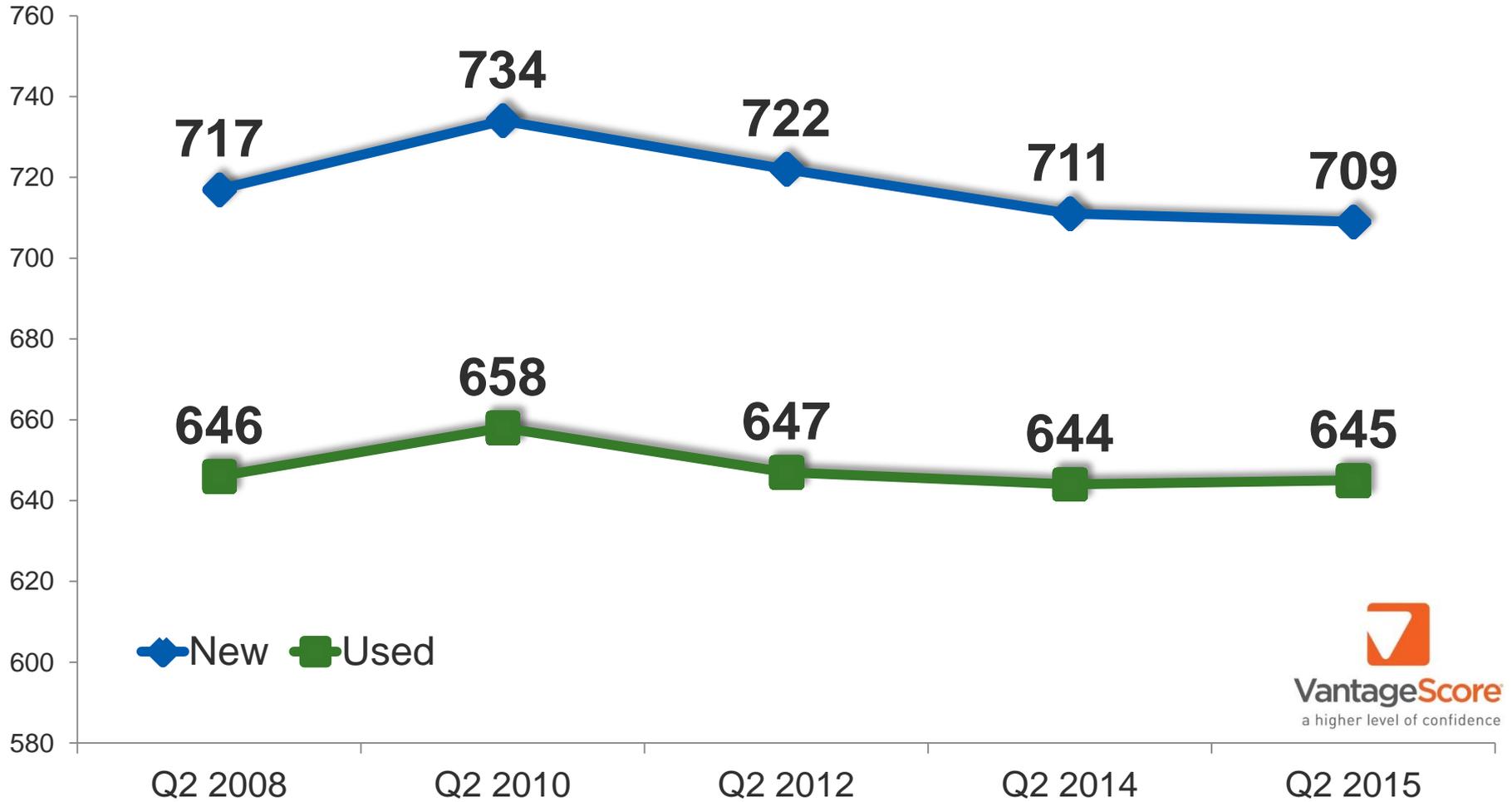
Top 20 lenders in the USED retail loan market



Source: Experian Automotive



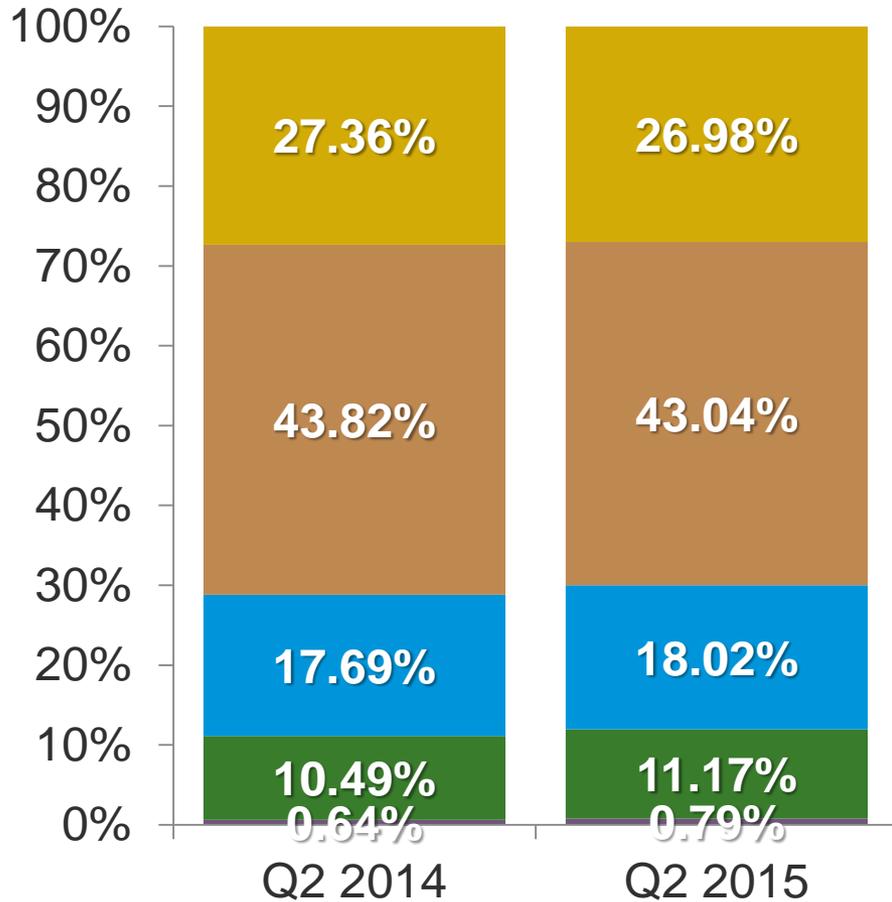
Average loan credit scores by vehicle type



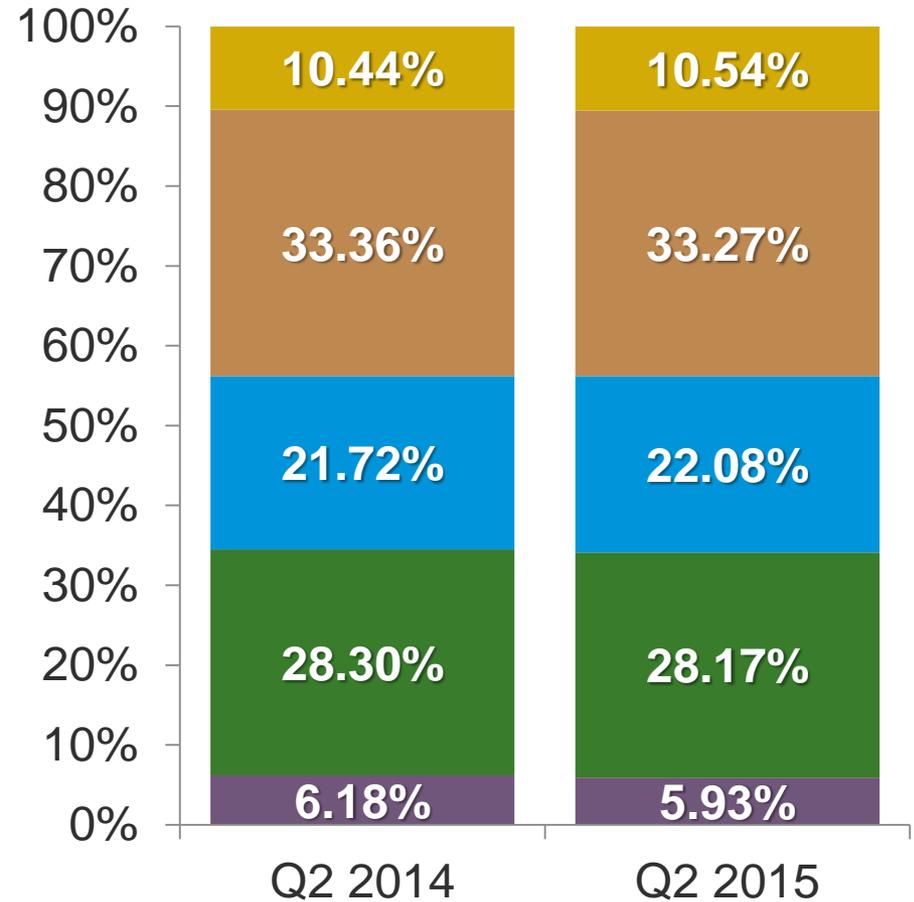


Automotive loans by risk segment

New loans



Used loans



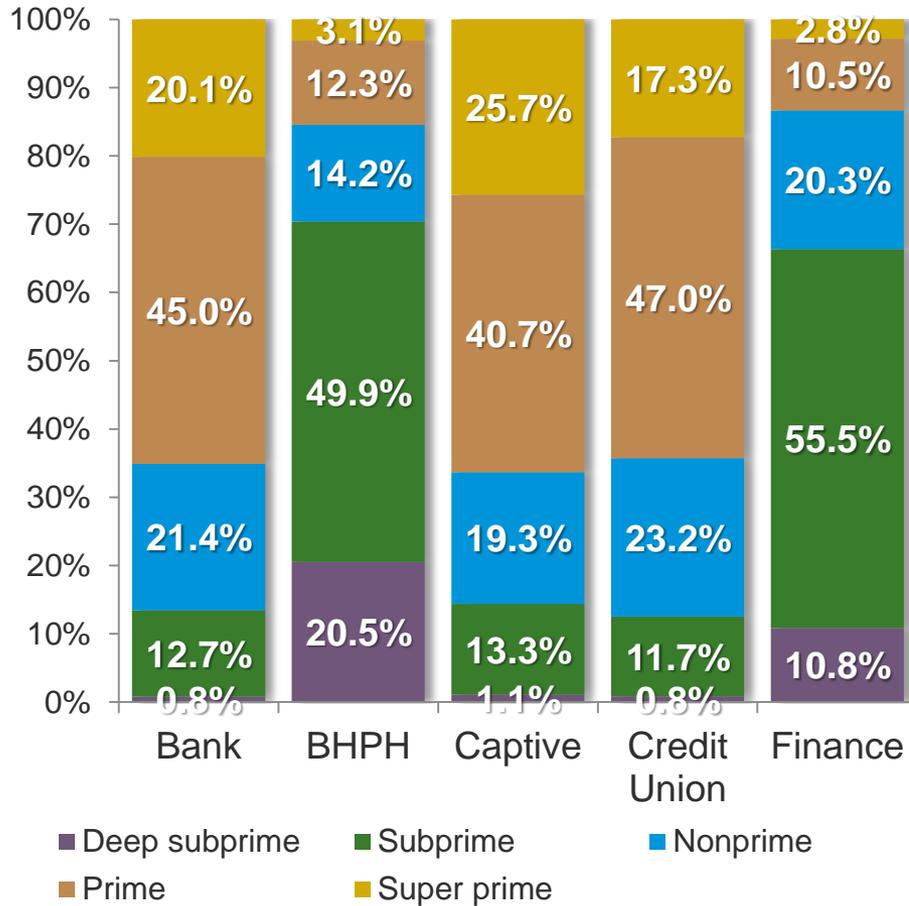
Super prime
 Prime
 Nonprime
 Subprime
 Deep subprime

Source: Experian Automotive

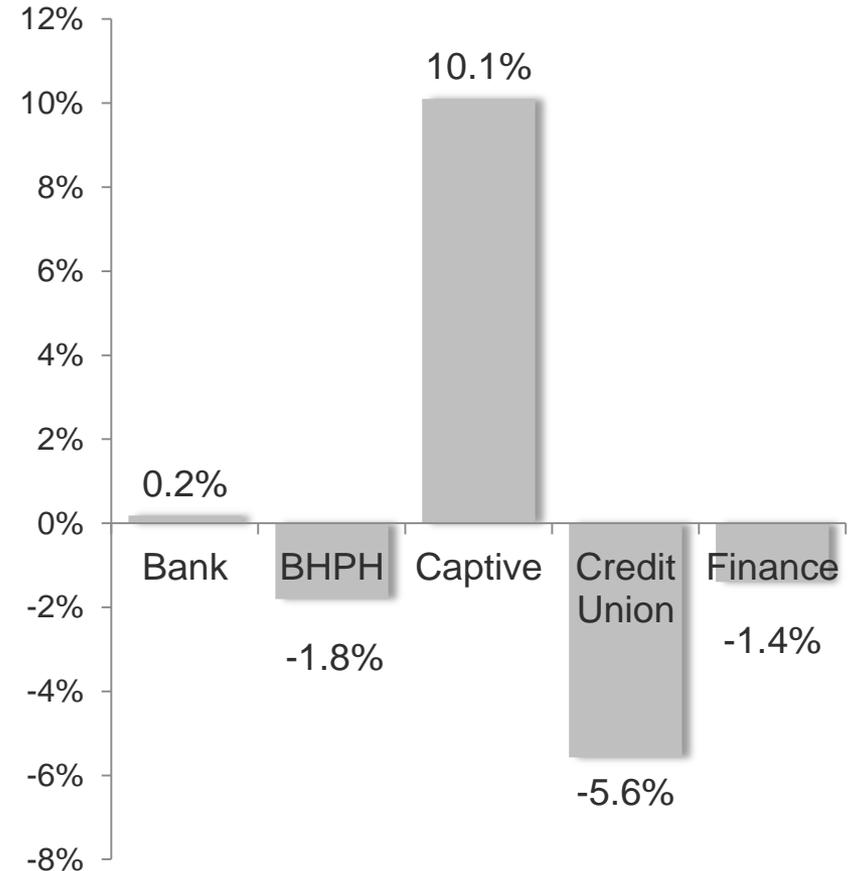


Risk distribution by lender type

Risk distribution of market share



YOY change in highest risk (<600) segment

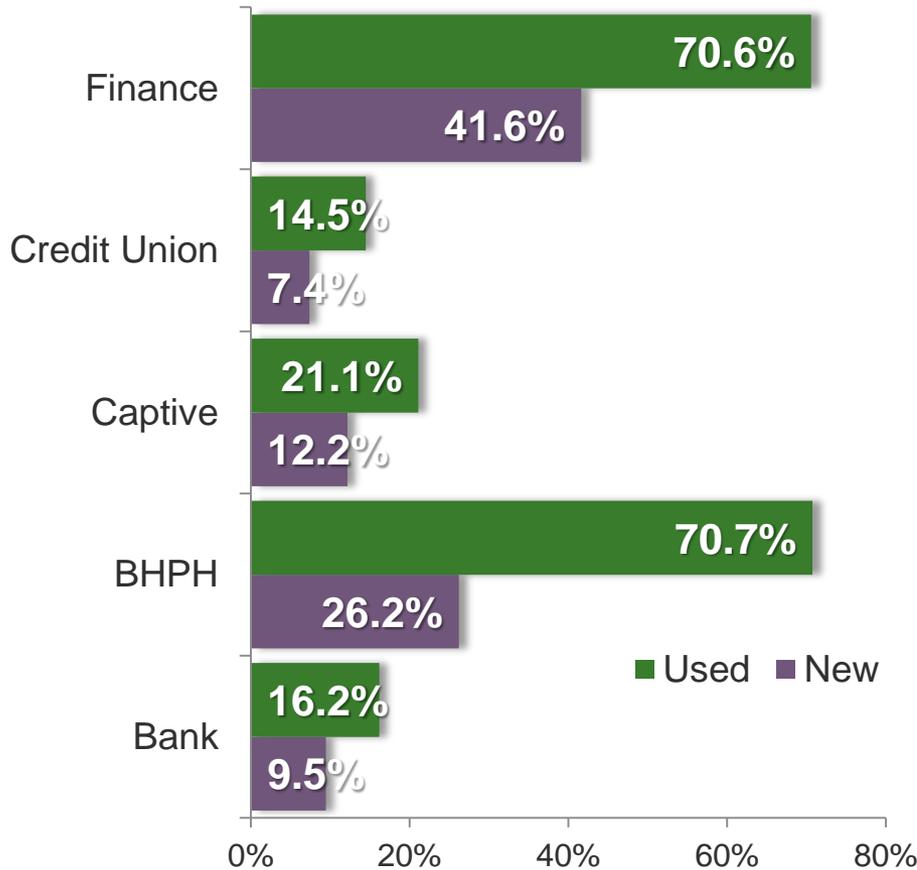


Source: Experian Automotive

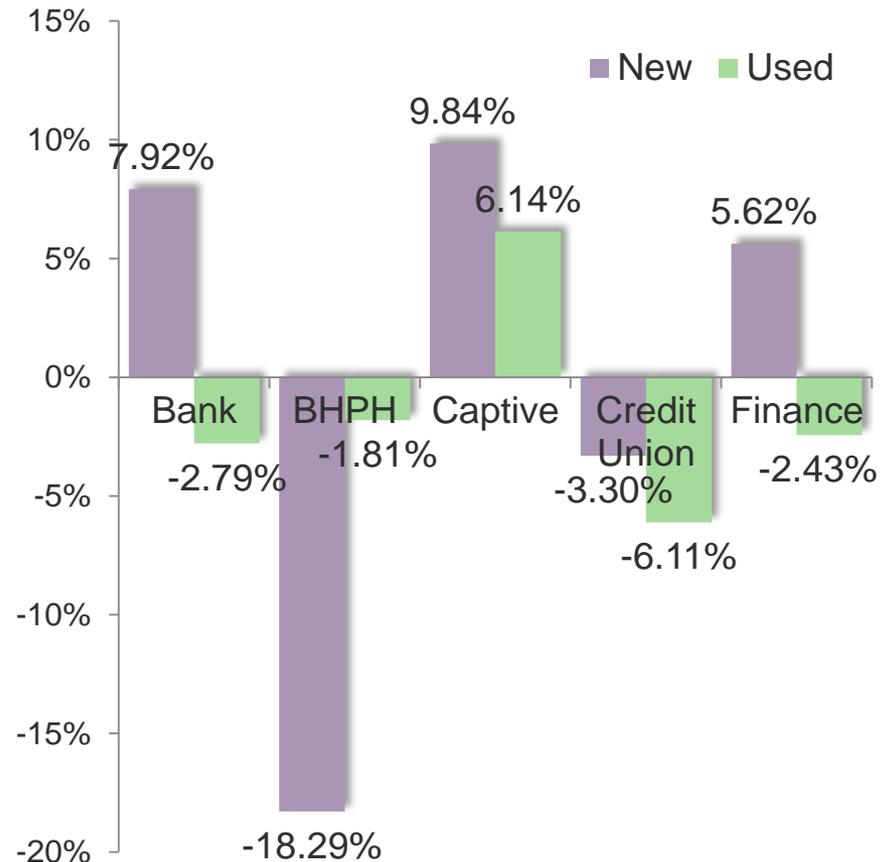


Risk distribution by lender type

Percentage of financing in highest risk segments (<600)



YOY change in highest risk segments

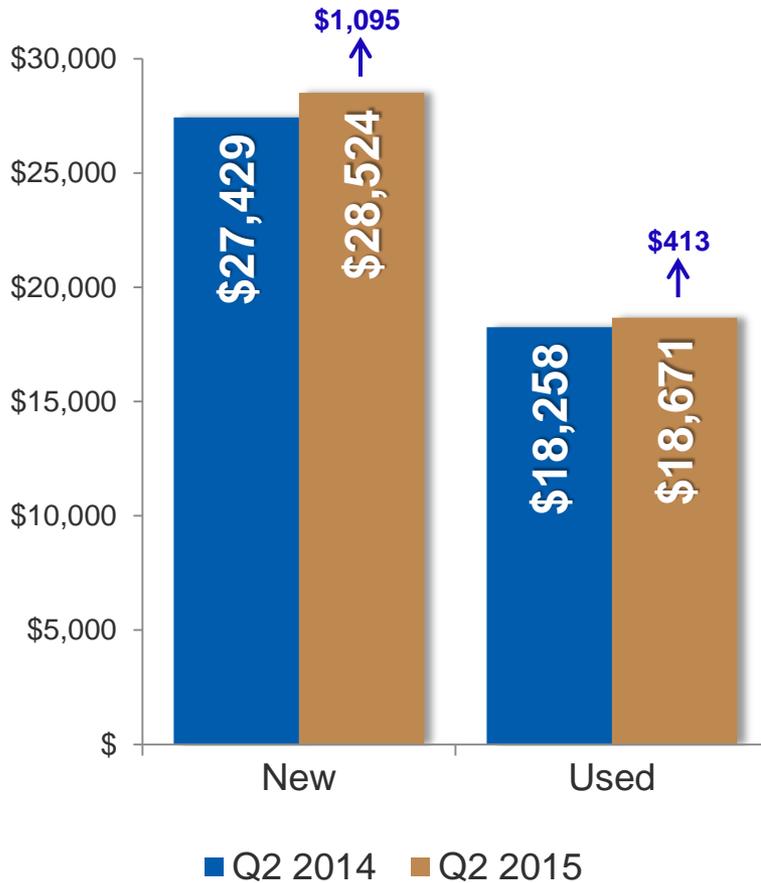


Source: Experian Automotive

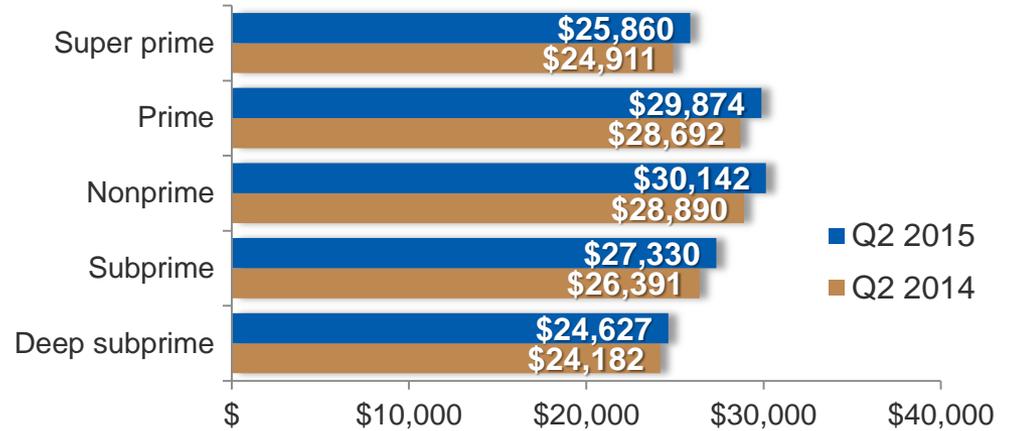


Average financing by risk segment on new and used vehicle loans

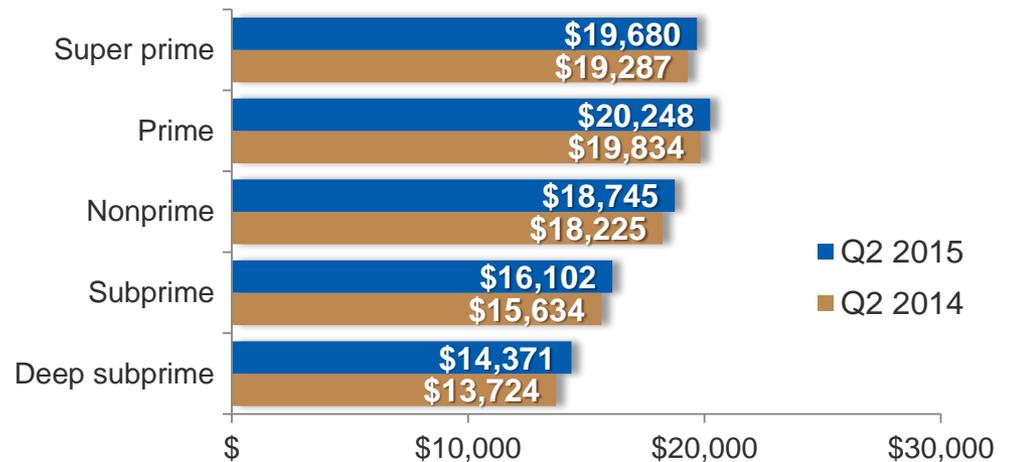
Average amount financed



Average new amount financed



Average used amount financed

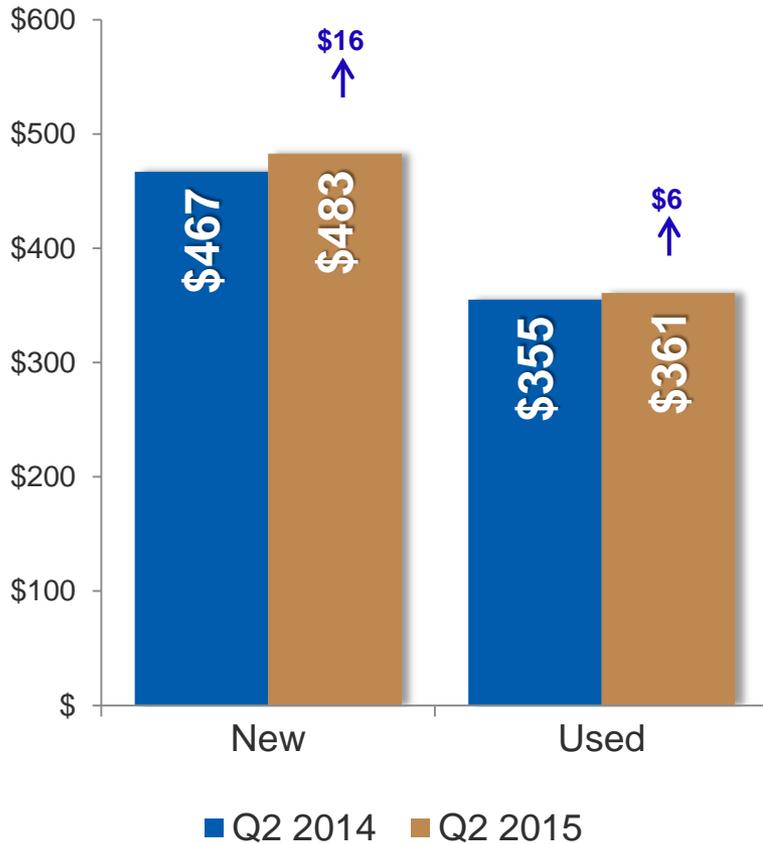


Source: Experian Automotive

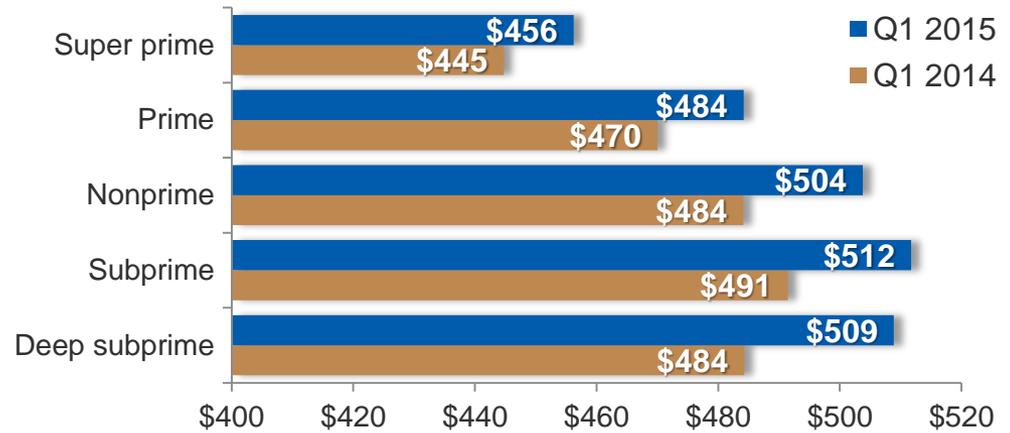


Average payments by risk segment on new and used vehicle loans

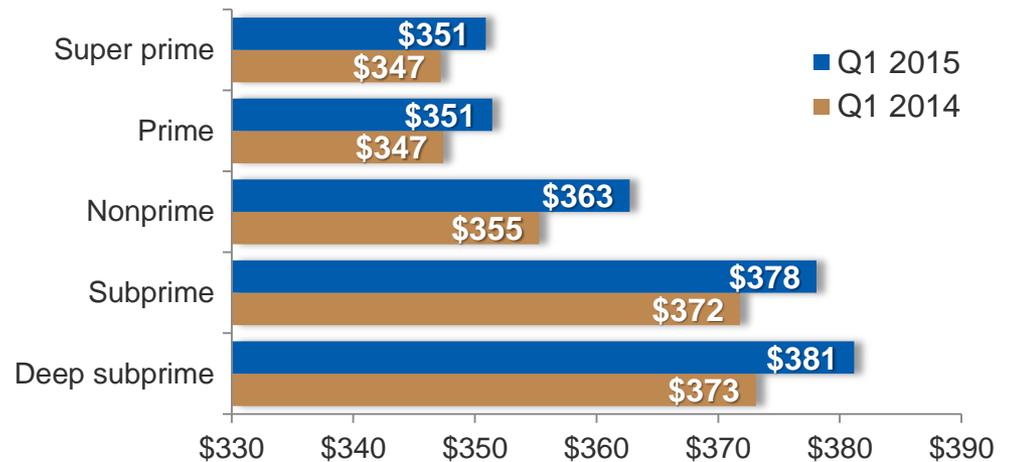
Average monthly payment



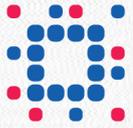
Average new payment



Average used payment

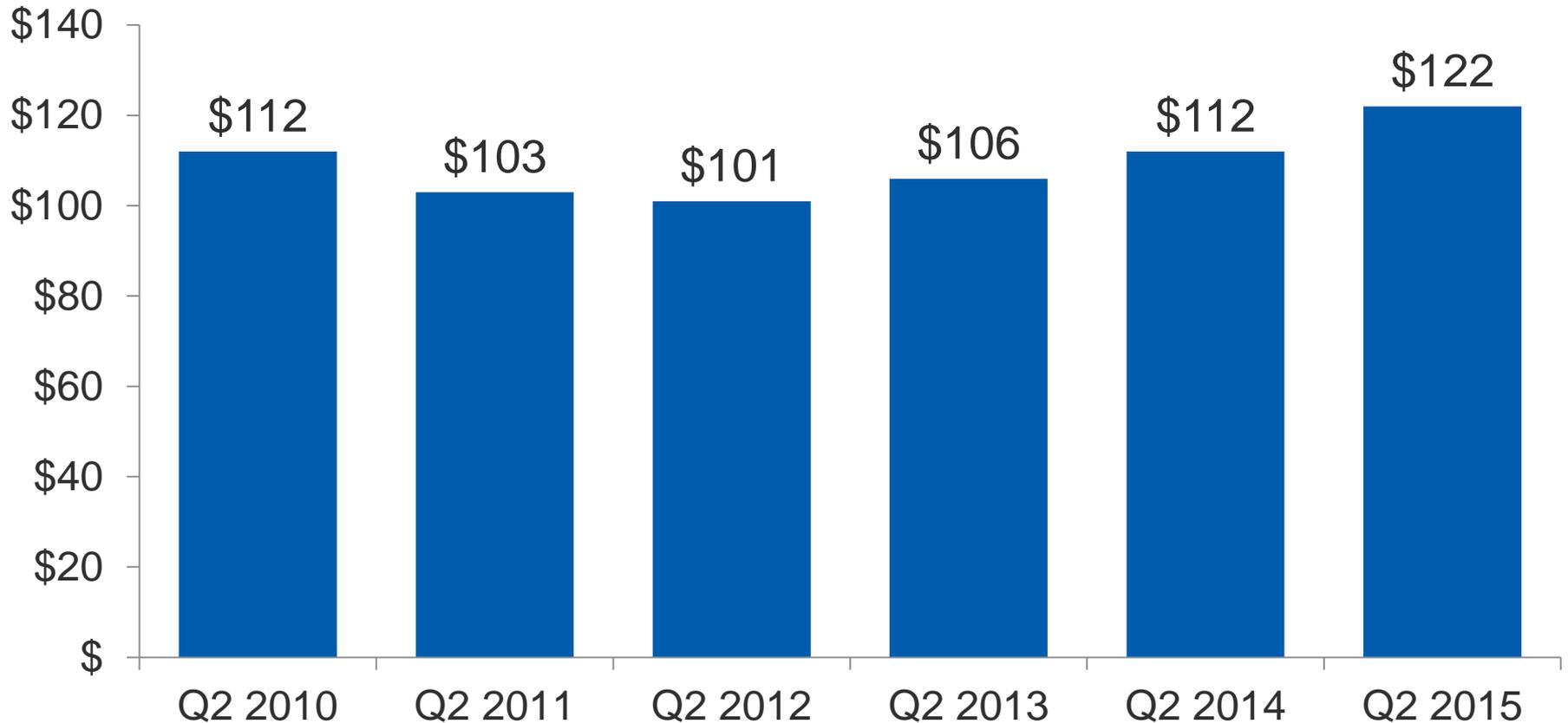


Source: Experian Automotive



Payment gap grows between new and used loans

Average payment difference between new & used car loans

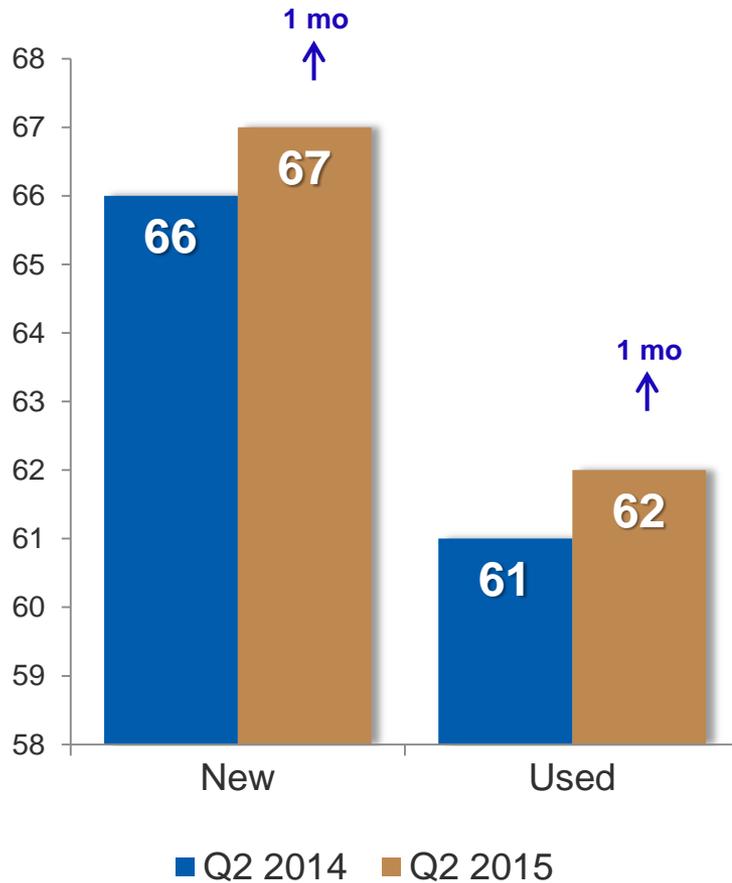


Source: Experian Automotive

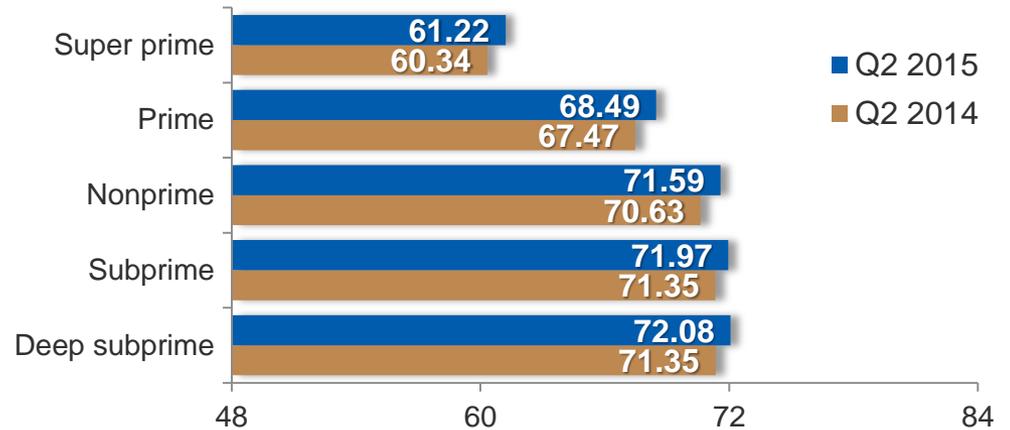


Average term by risk segment on new and used vehicle loans

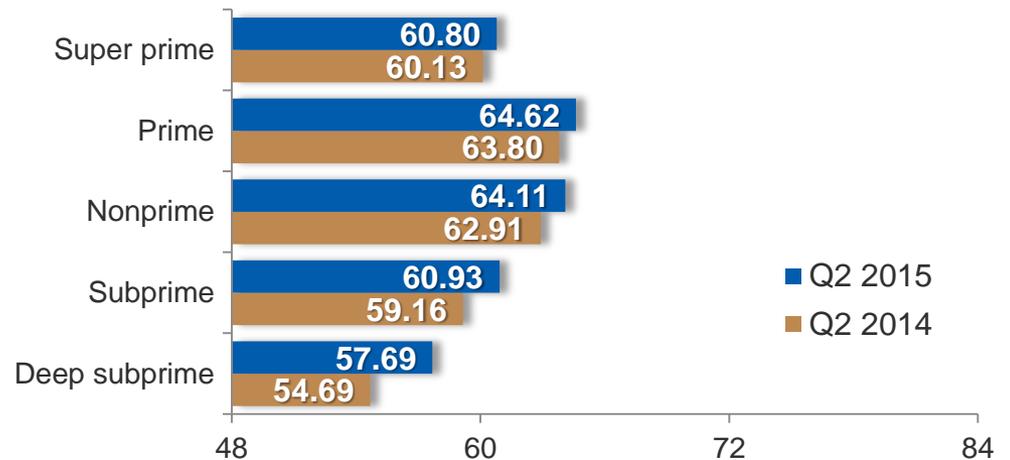
Average term



Average new term



Average used term

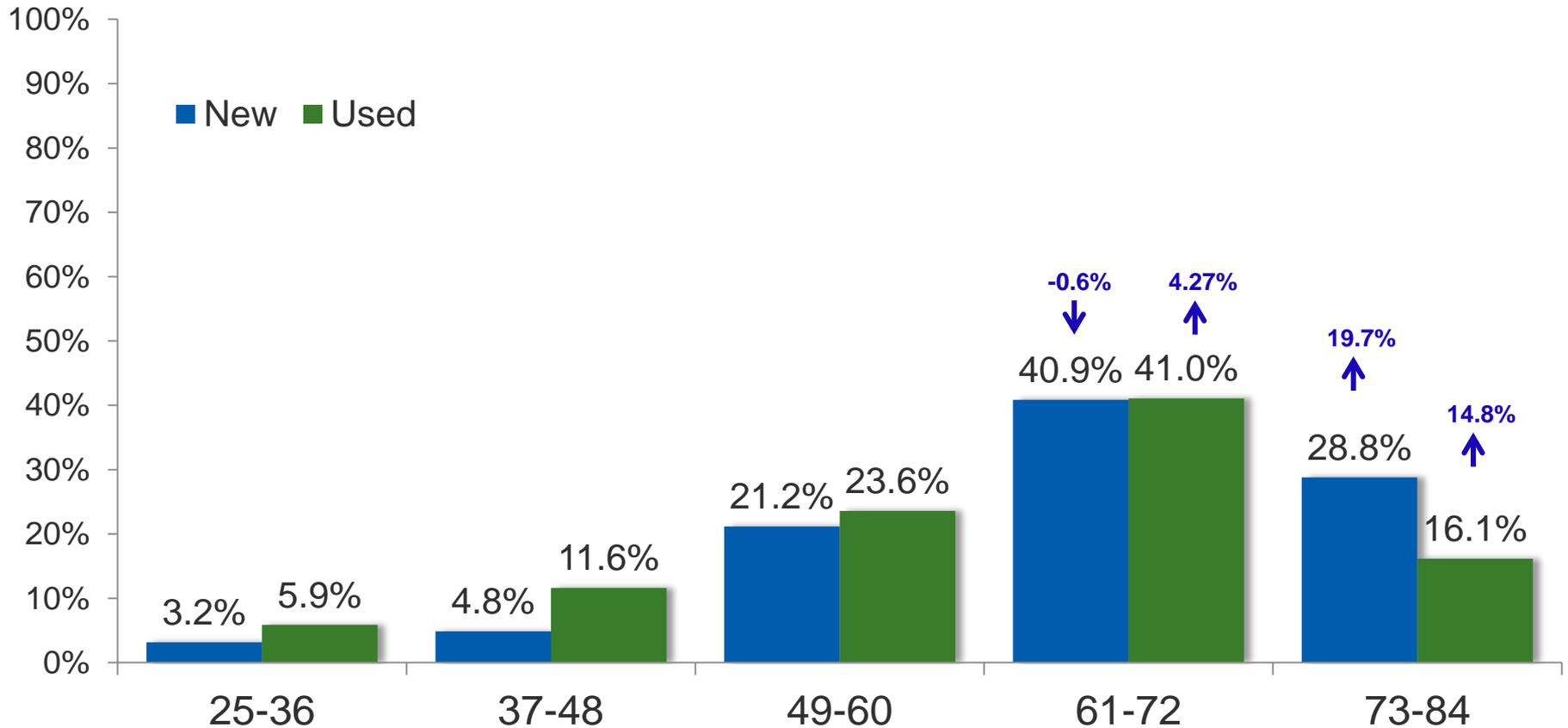


Source: Experian Automotive



Distribution of loan term

Vehicle financing by term

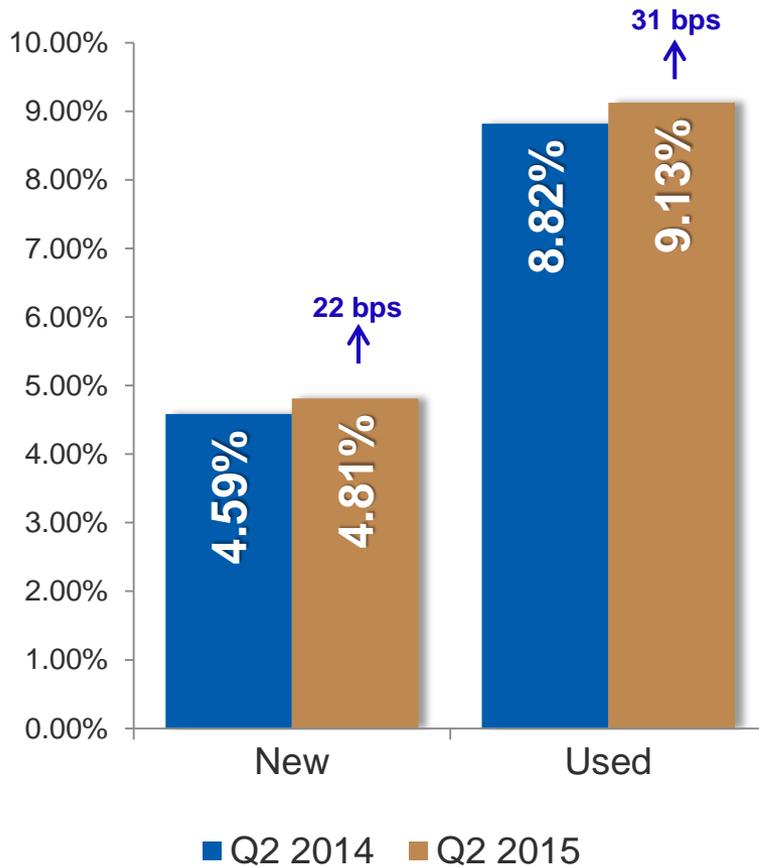


Source: Experian Automotive

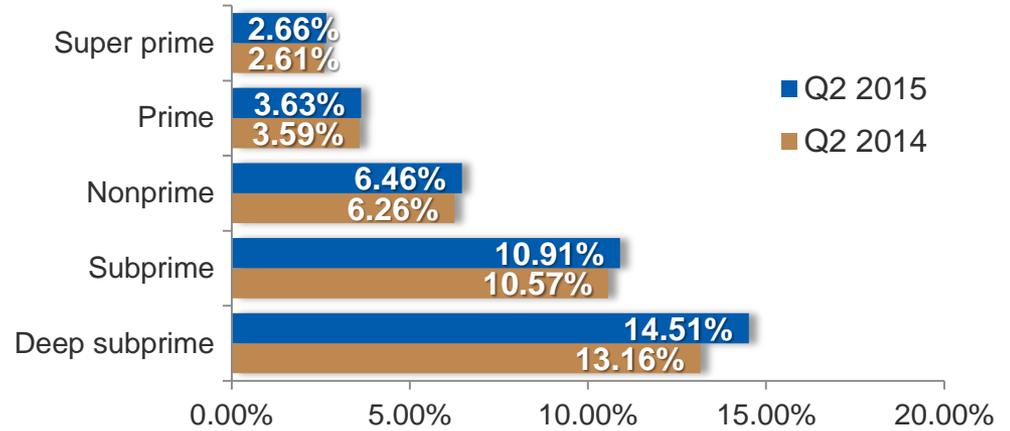


Average rate by risk segment on new and used vehicle loans

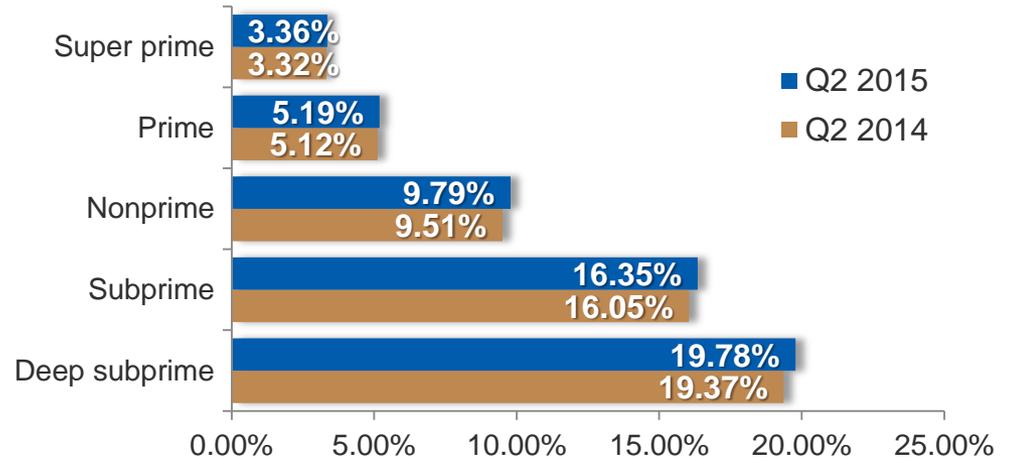
Average rate



Average new rate



Average used rate



Source: Experian Automotive



Overall Automotive Finance Market

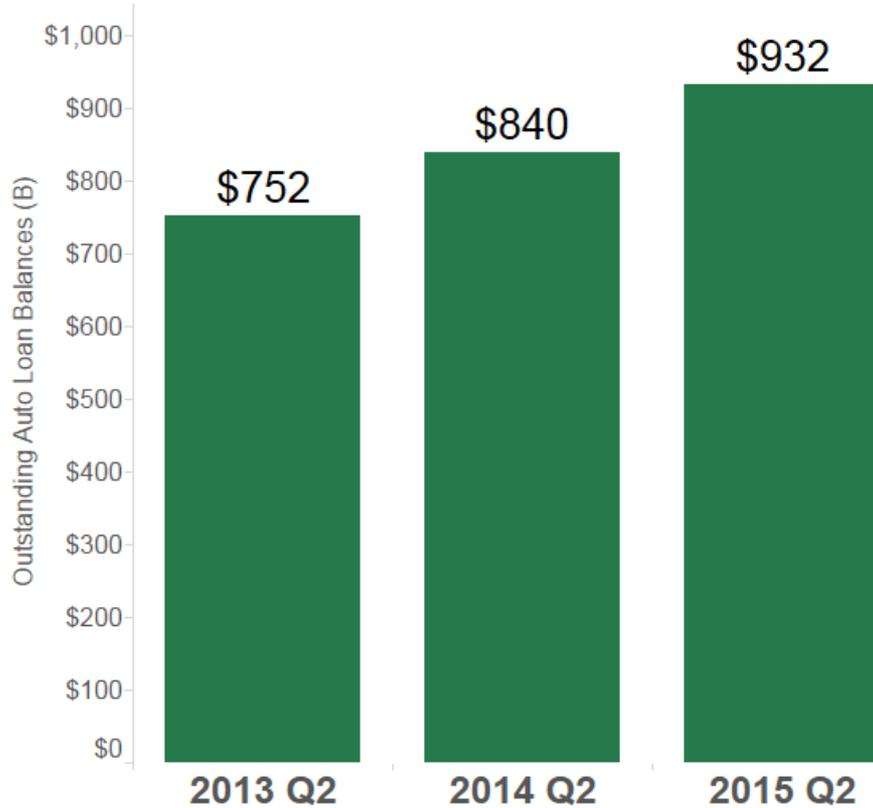
Market overview and
delinquency



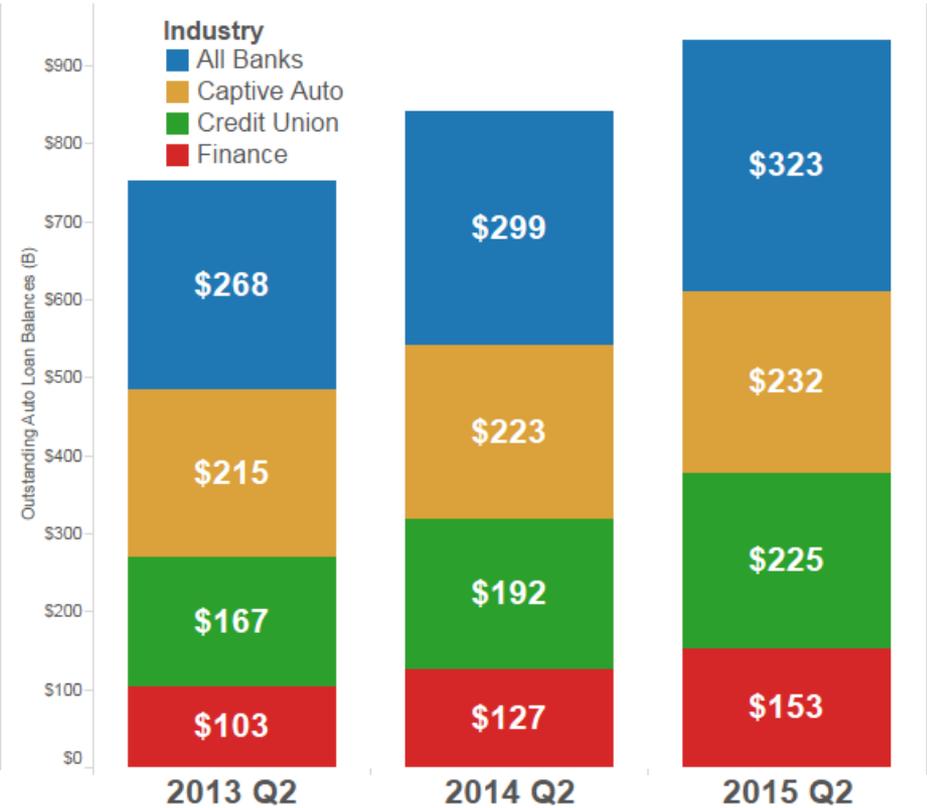
A look at automotive loan balances

Outstanding automotive loan balances

Total open balances



Balances by lender type



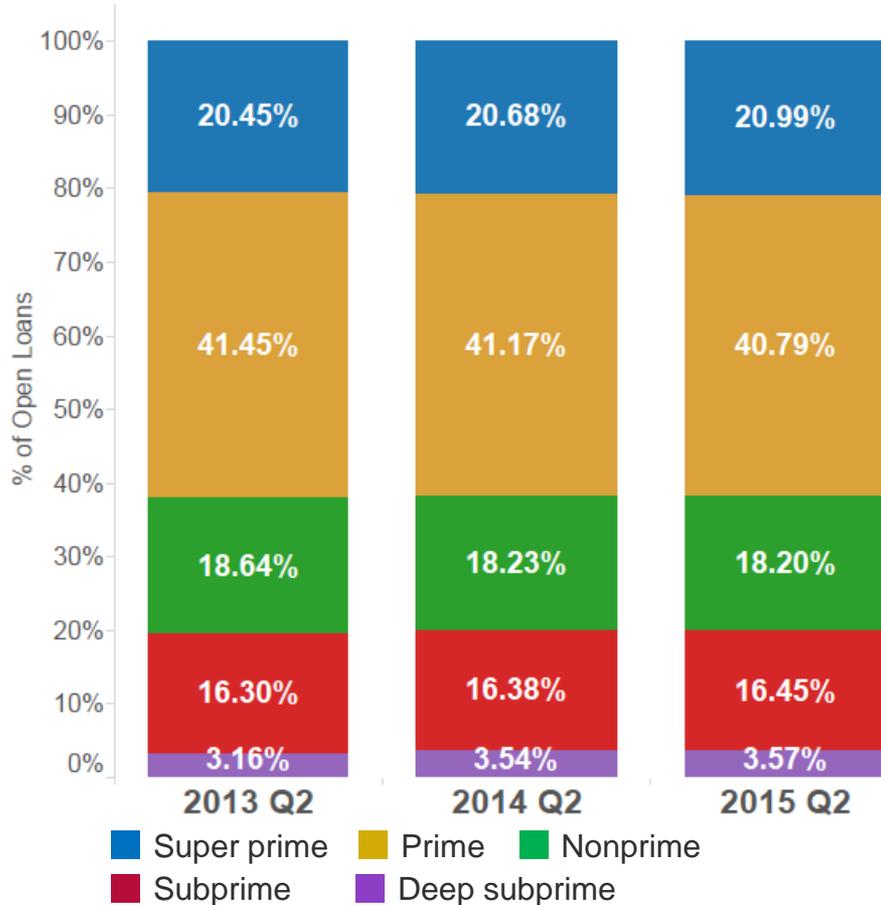
Source: Experian-Oliver Wyman Market Intelligence Reports



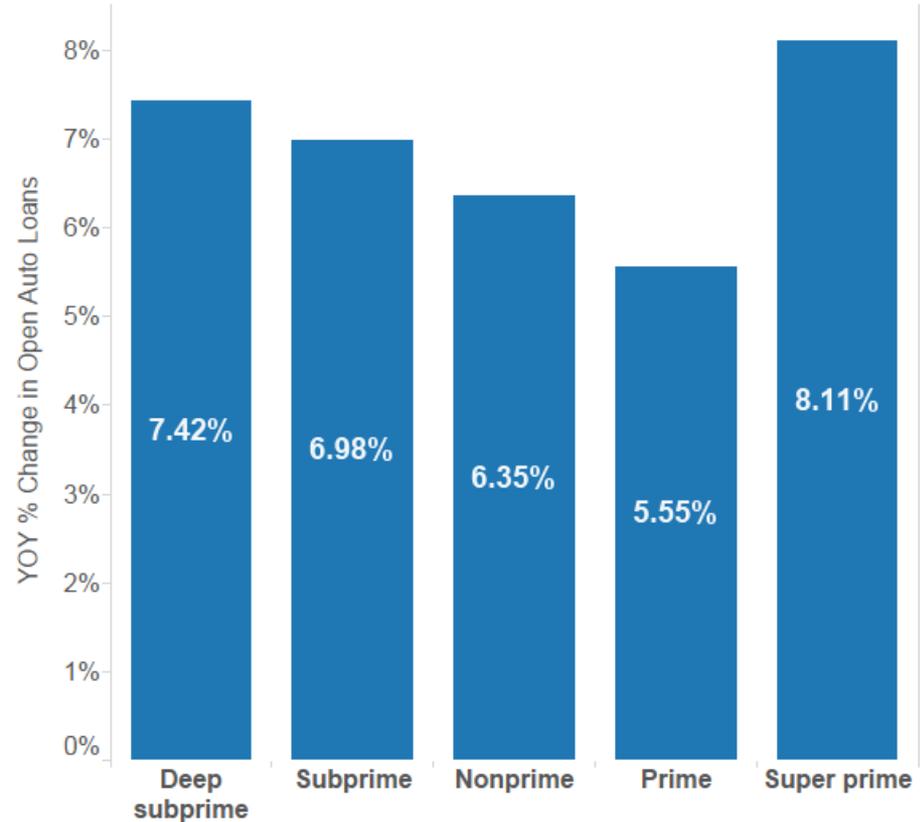
Open loan overview

Risk distribution of open loans

Percentage of Open Loans by Risk Segment



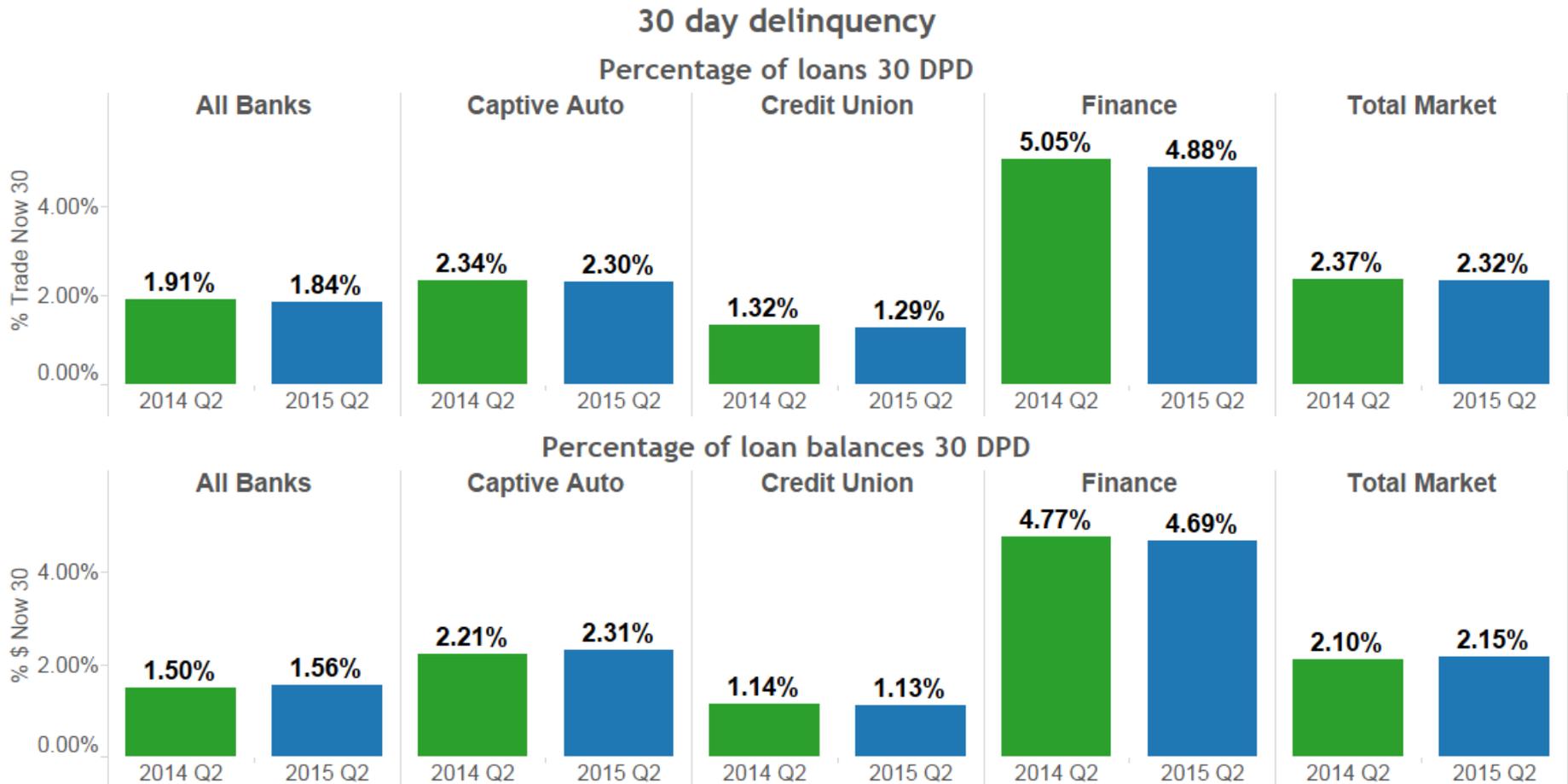
YOY Change in Open Loan Volume



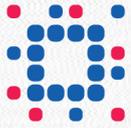
Source: Experian-Oliver Wyman Market Intelligence Reports



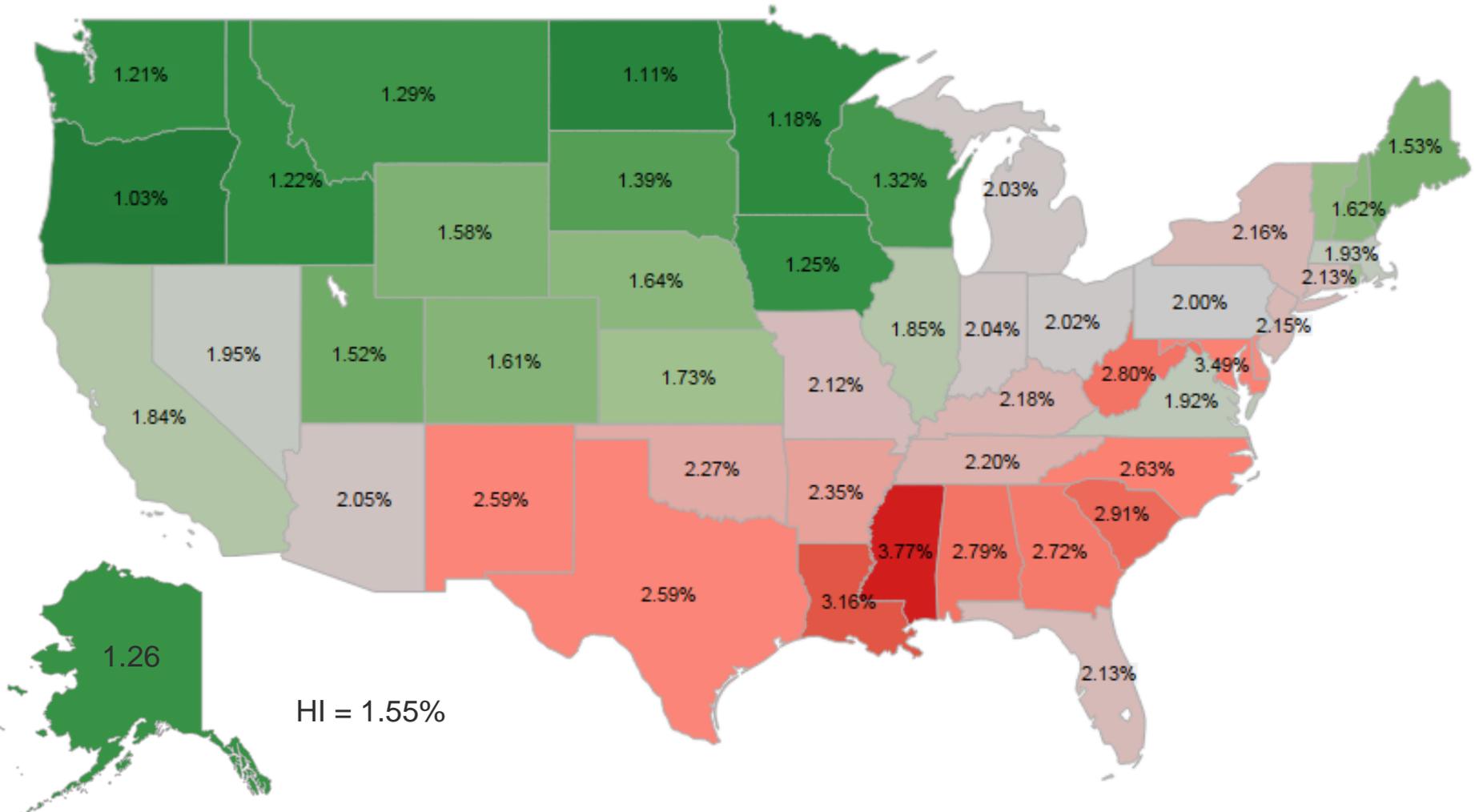
Recent automotive delinquency: 30 day delinquency



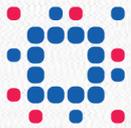
Source: Experian-Oliver Wyman Market Intelligence Reports



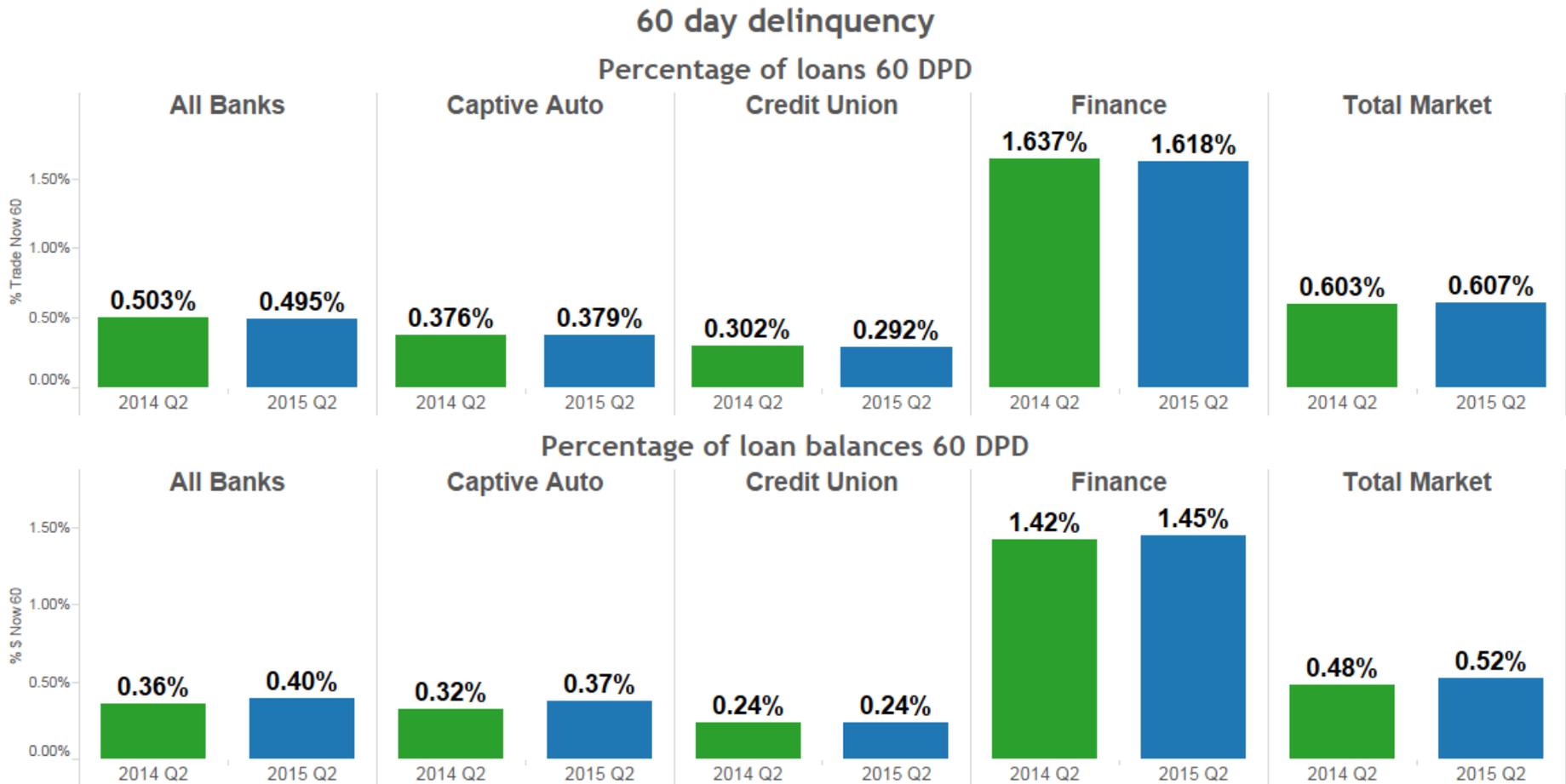
30-day delinquency balances by state



Source: Experian-Oliver Wyman Market Intelligence Reports



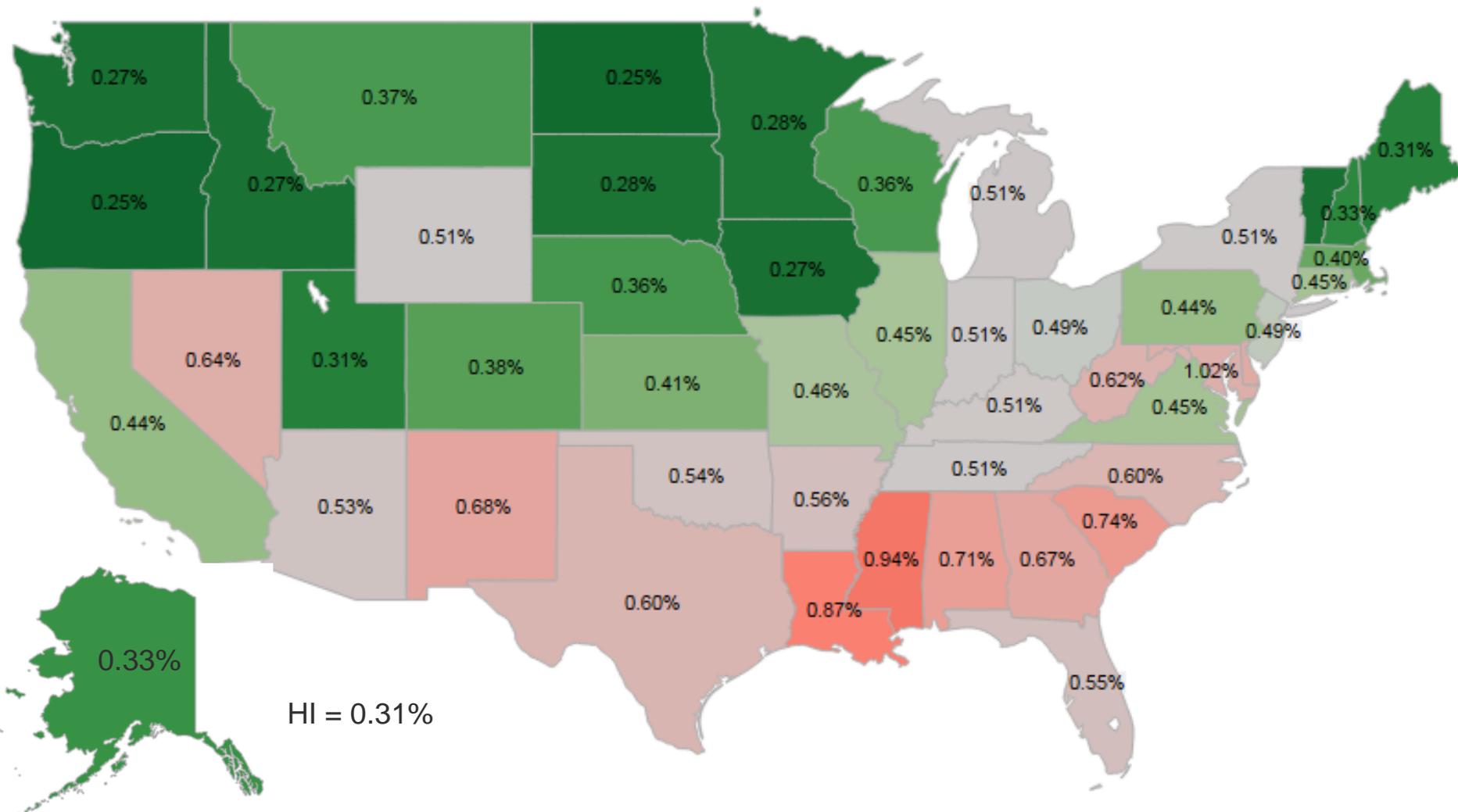
Recent automotive delinquency: 60 day delinquency



Source: Experian-Oliver Wyman Market Intelligence Reports

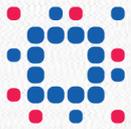


60-day delinquency balances by state



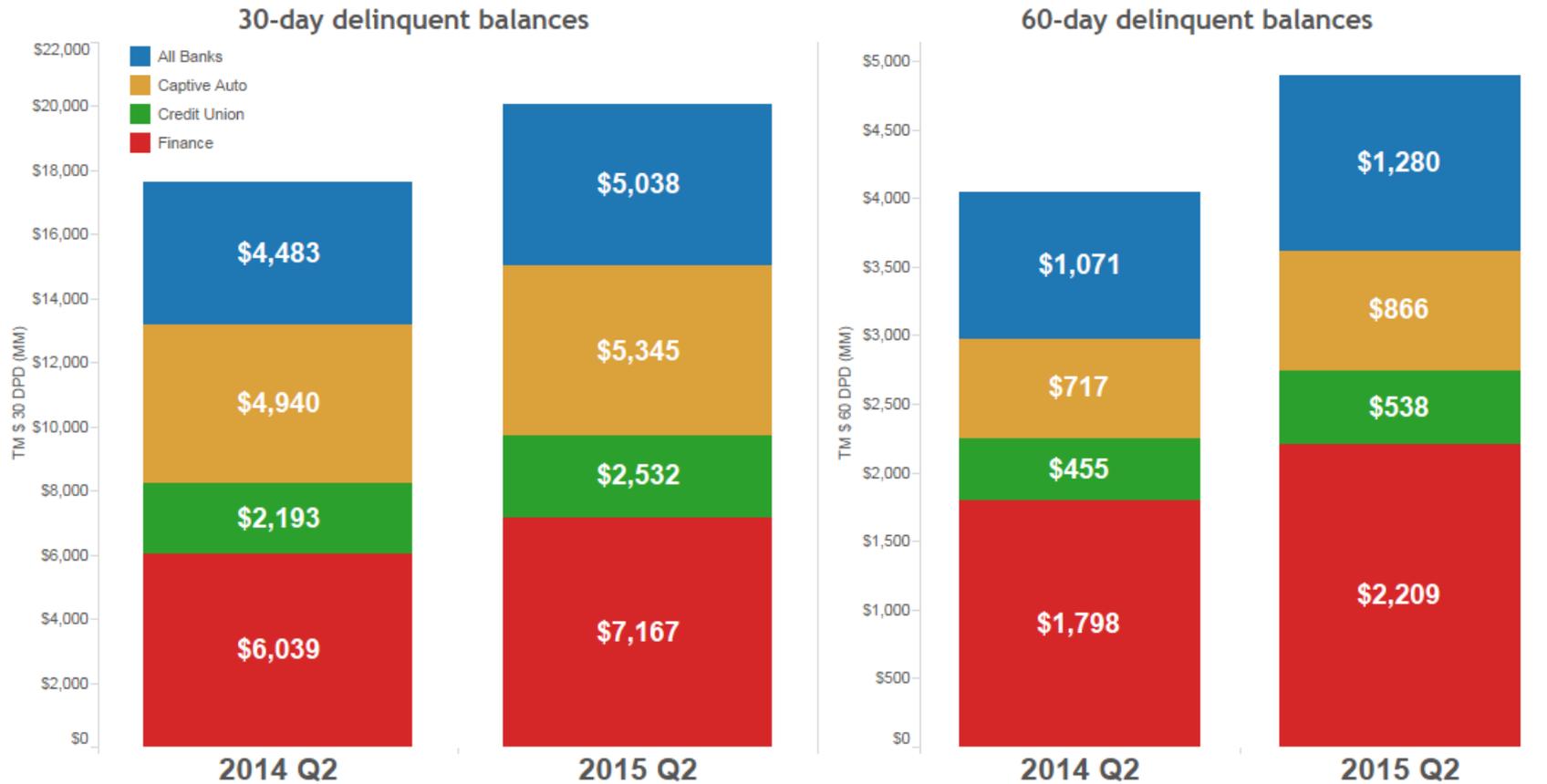
HI = 0.31%

Source: Experian-Oliver Wyman Market Intelligence Reports

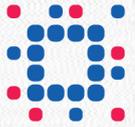


Balances at risk

Delinquent Balances



Source: Experian-Oliver Wyman Market Intelligence Reports



In summary

- Leasing reaches all-time highs and lease payments drop
- Modest high risk growth for new financing; used down YOY
- Loan amounts continue to grow; used payments reach all-time highs with gap between new and used payments rising
- Terms continue to lengthen while rates creep for new and used financing
- Open balances reach all-time highs with majority of loans/balances in prime+
- Fewer loans becoming delinquent (30 dpd) yet increases in balances tied to delinquent loans



