



State of the Automotive Finance Market First Quarter 2015

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Experian Automotive



Today's presentation



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Session overview



Originations

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

Market overview

- Outstanding balances
 - Risk distributions
 - Delinquencies





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





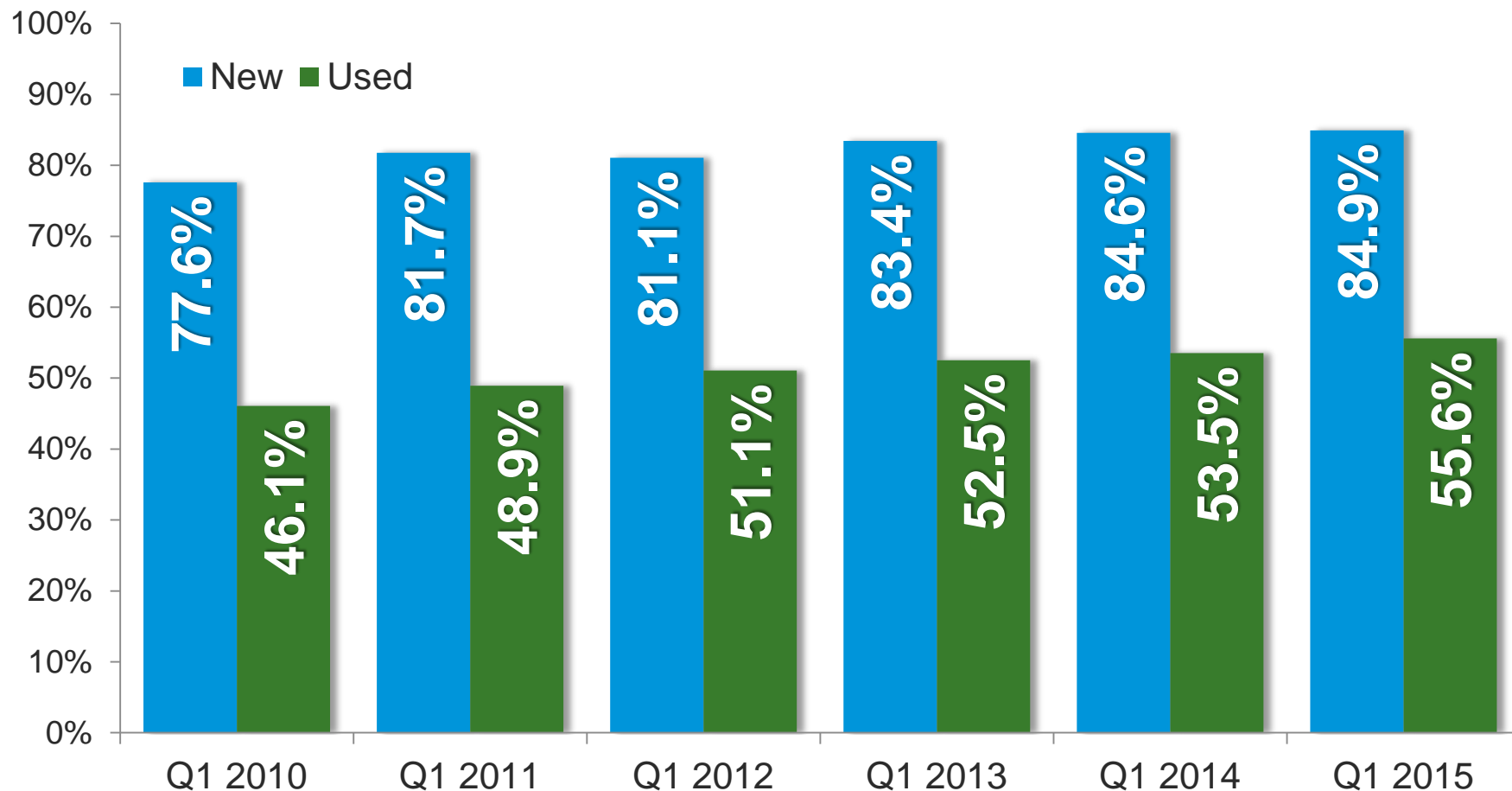
Originations

New and used lending



Growing reliance upon financing

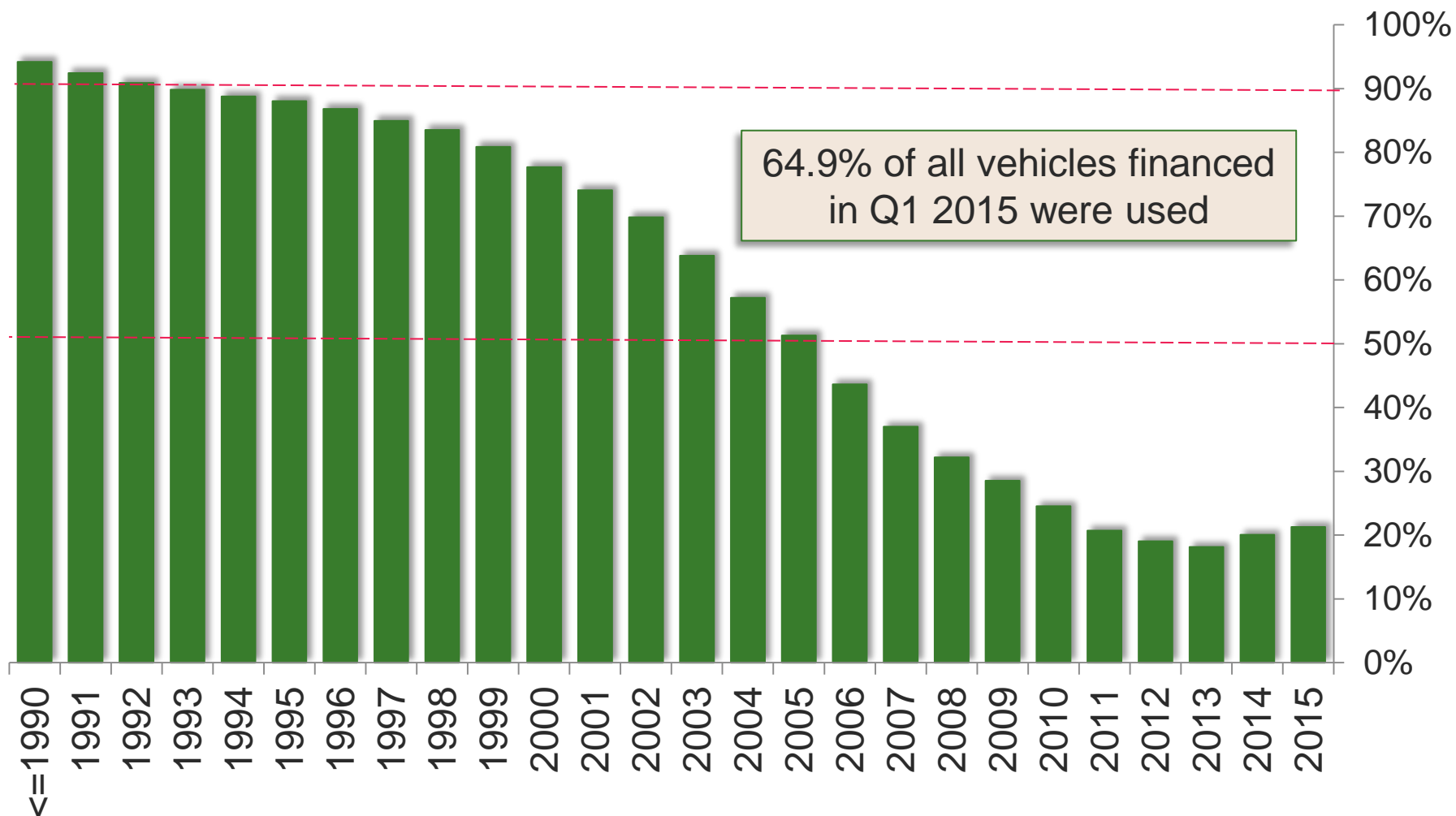
Percentage of vehicles with financing



Source: Experian Automotive

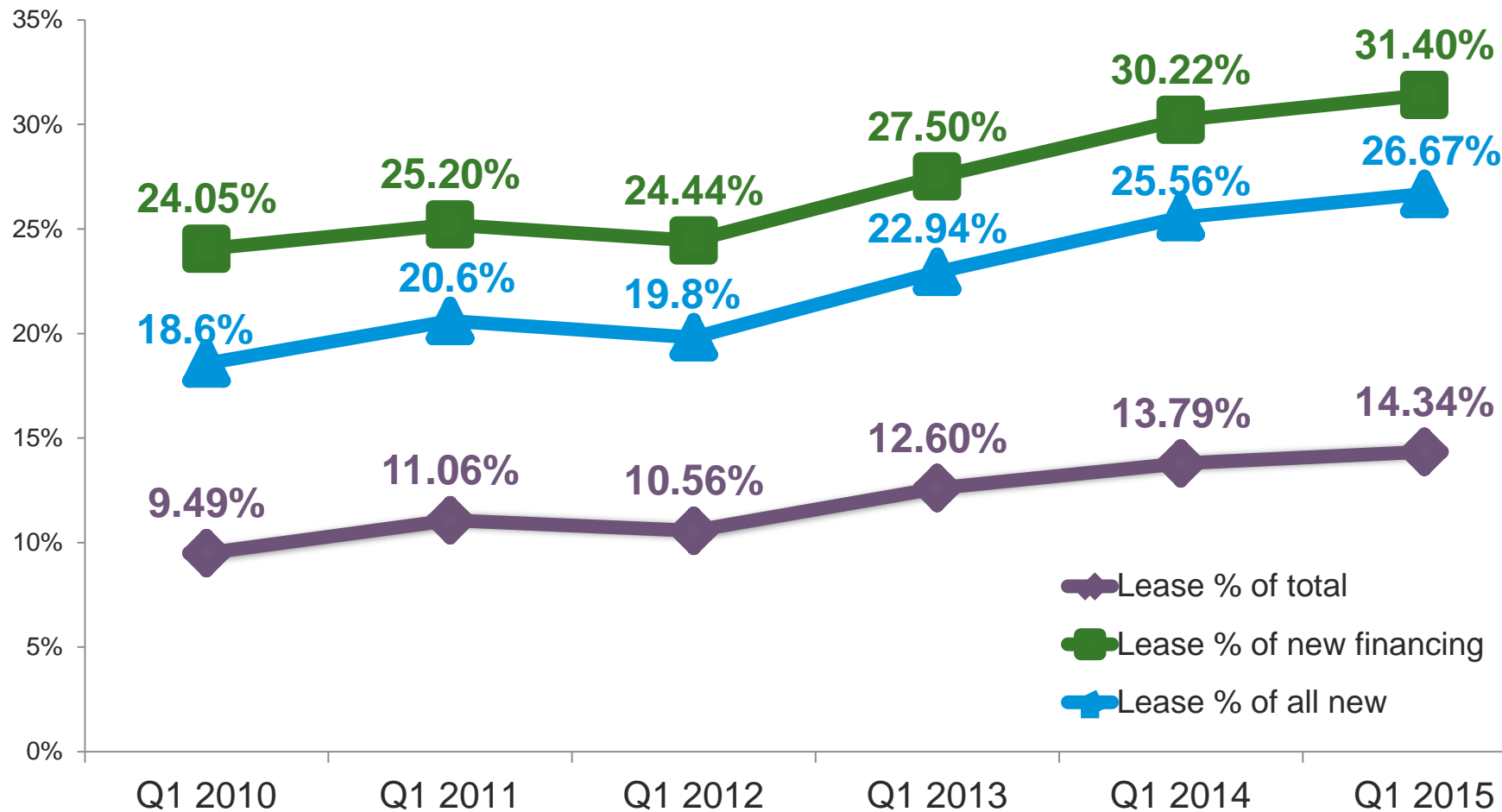


Percentage of used model year vehicles without loans





Consumer leasing



Source: Experian Automotive

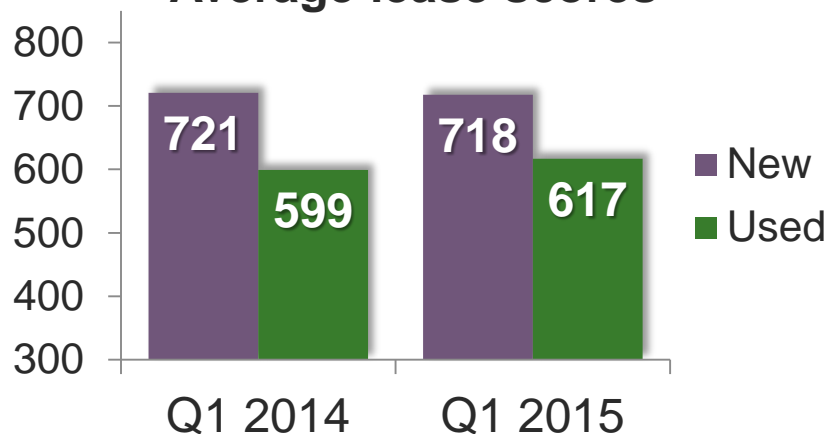


Leasing and consumer credit

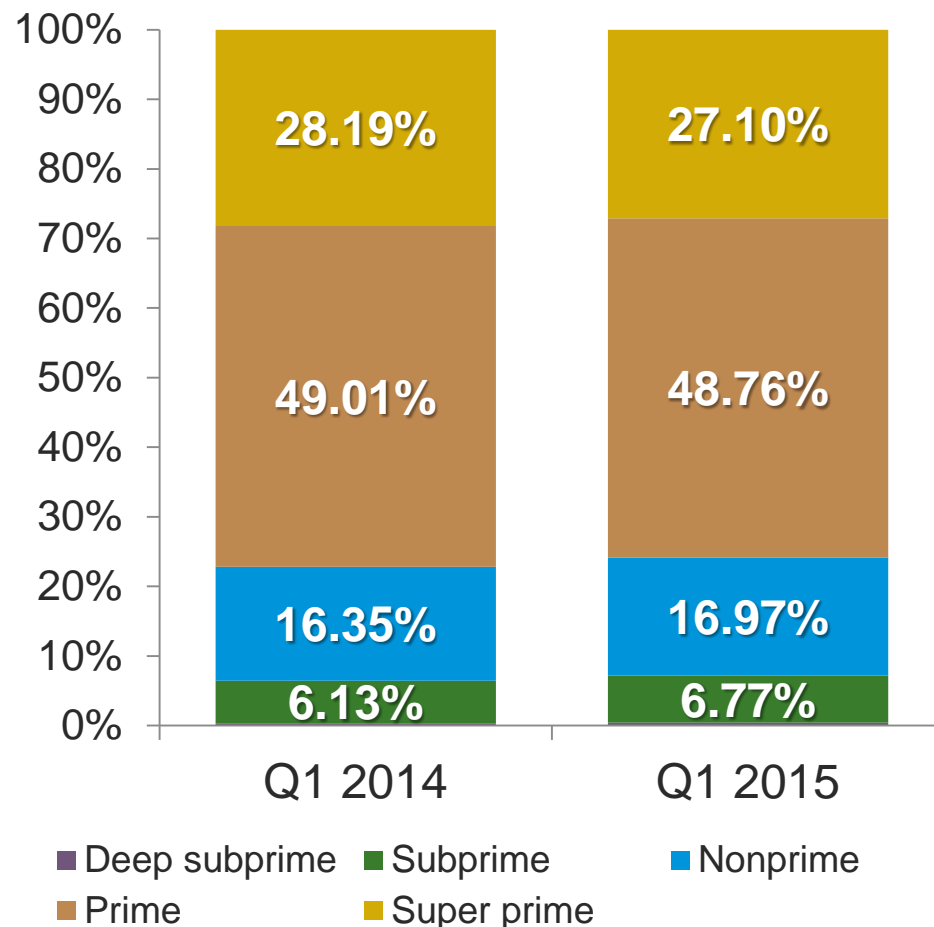
Lease by vehicle type



Average lease scores



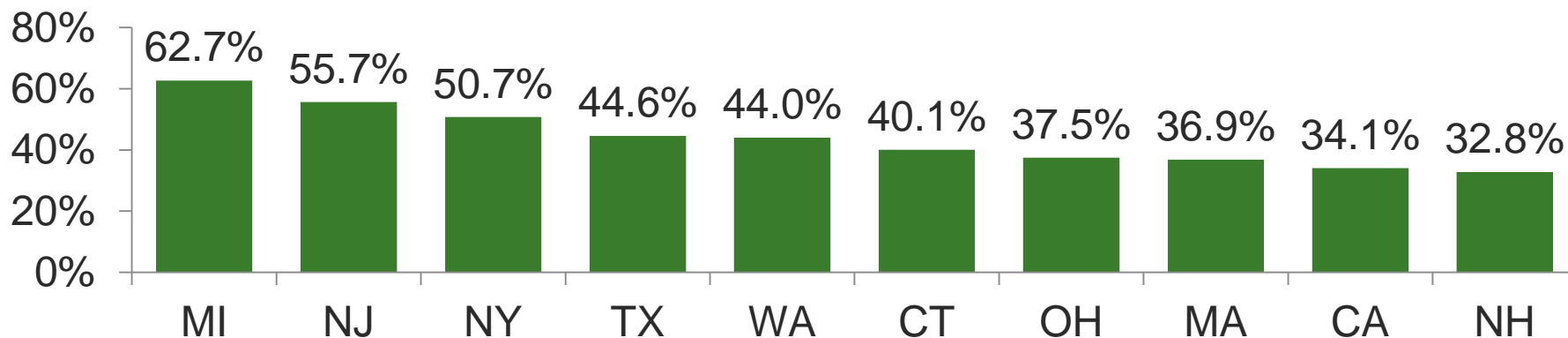
New leasing by risk segment



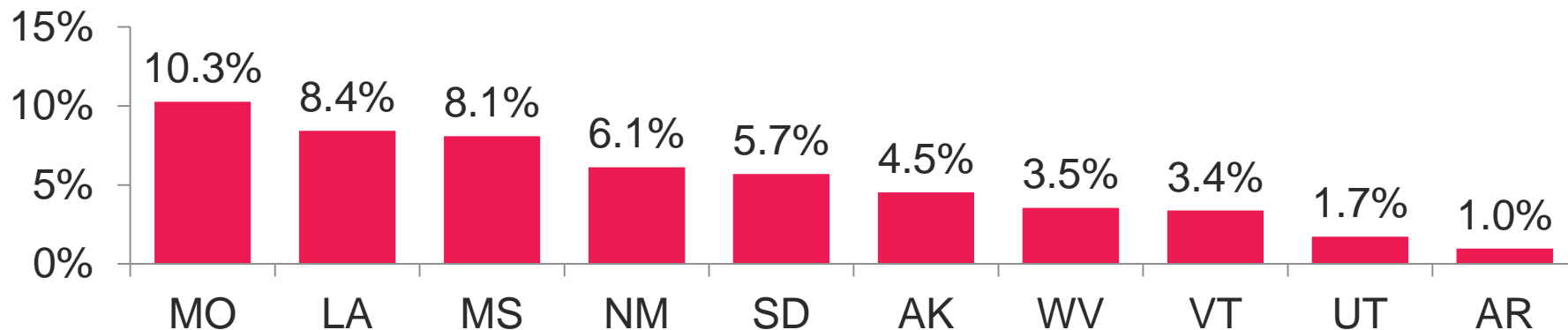


Top and bottom states for leasing

Top 10: percentage of all new vehicles leased



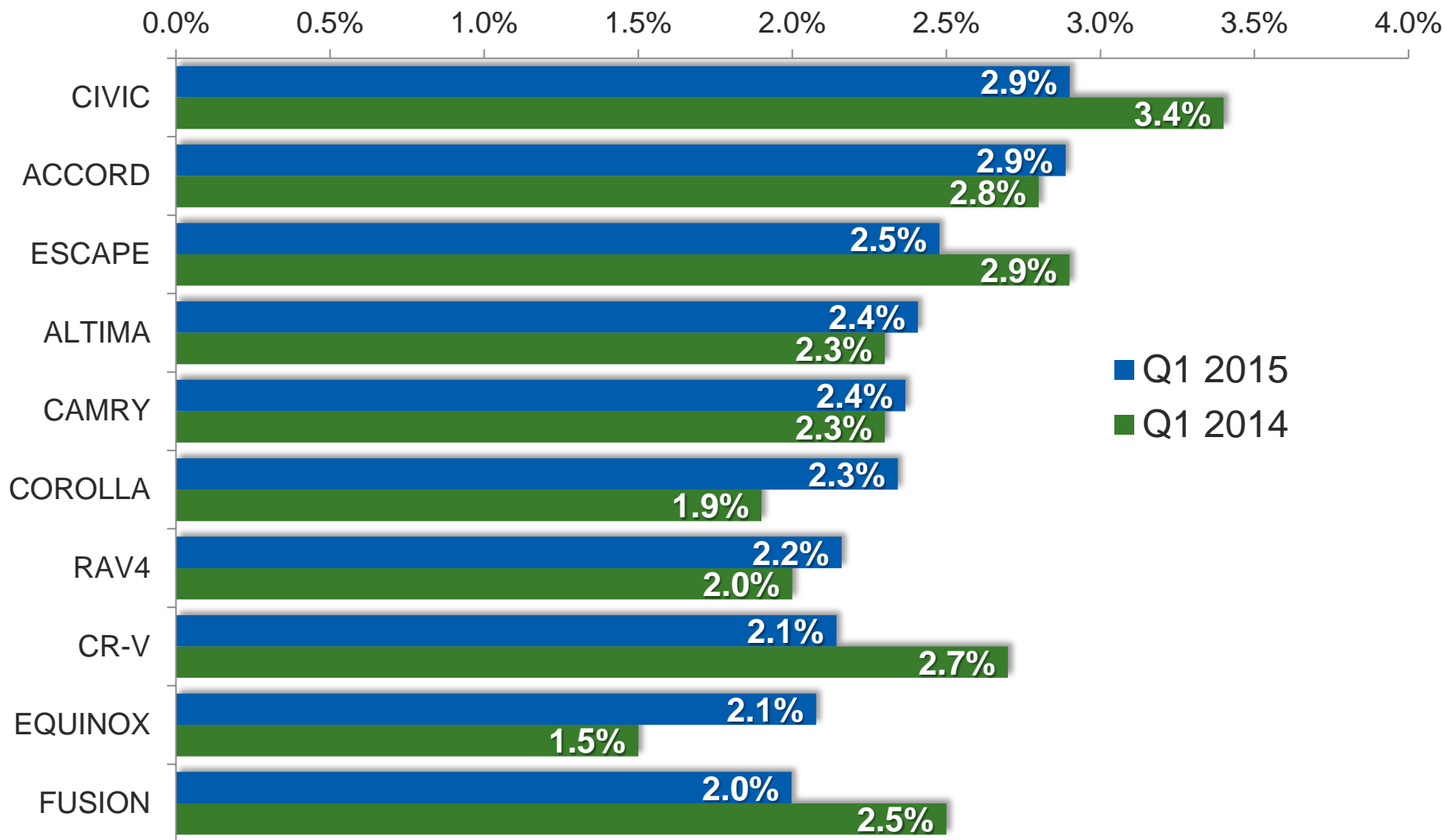
Bottom 10: percentage of all new vehicles leased



Source: Experian Automotive



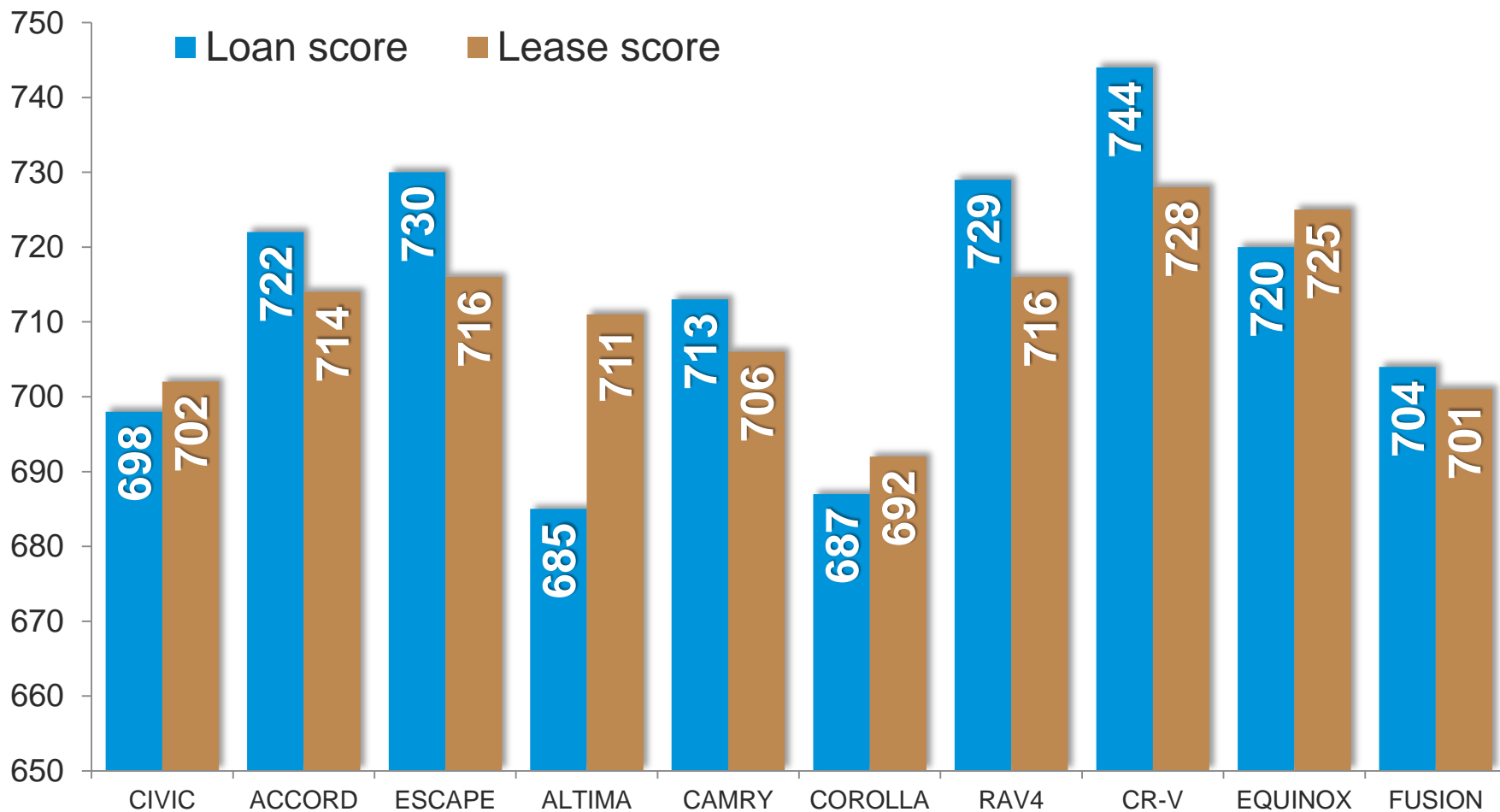
Top 10 new models based on share of the new lease market



Source: Experian Automotive



Average score comparison on top new leased models



Source: Experian Automotive

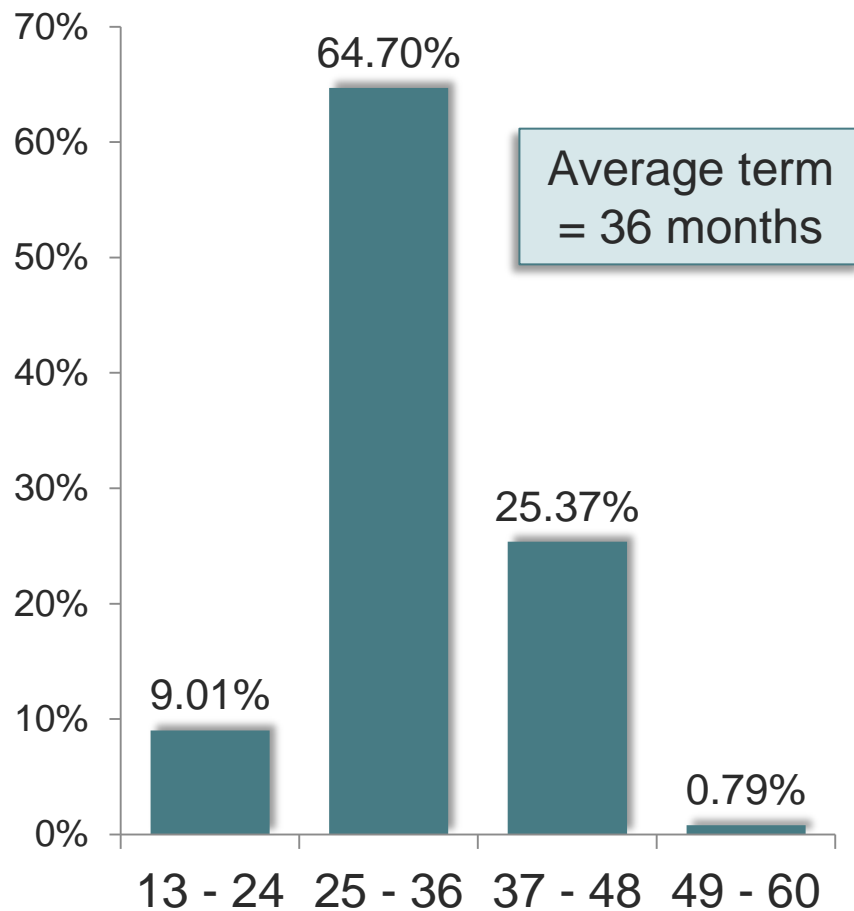


Average new lease characteristics

Average monthly payment



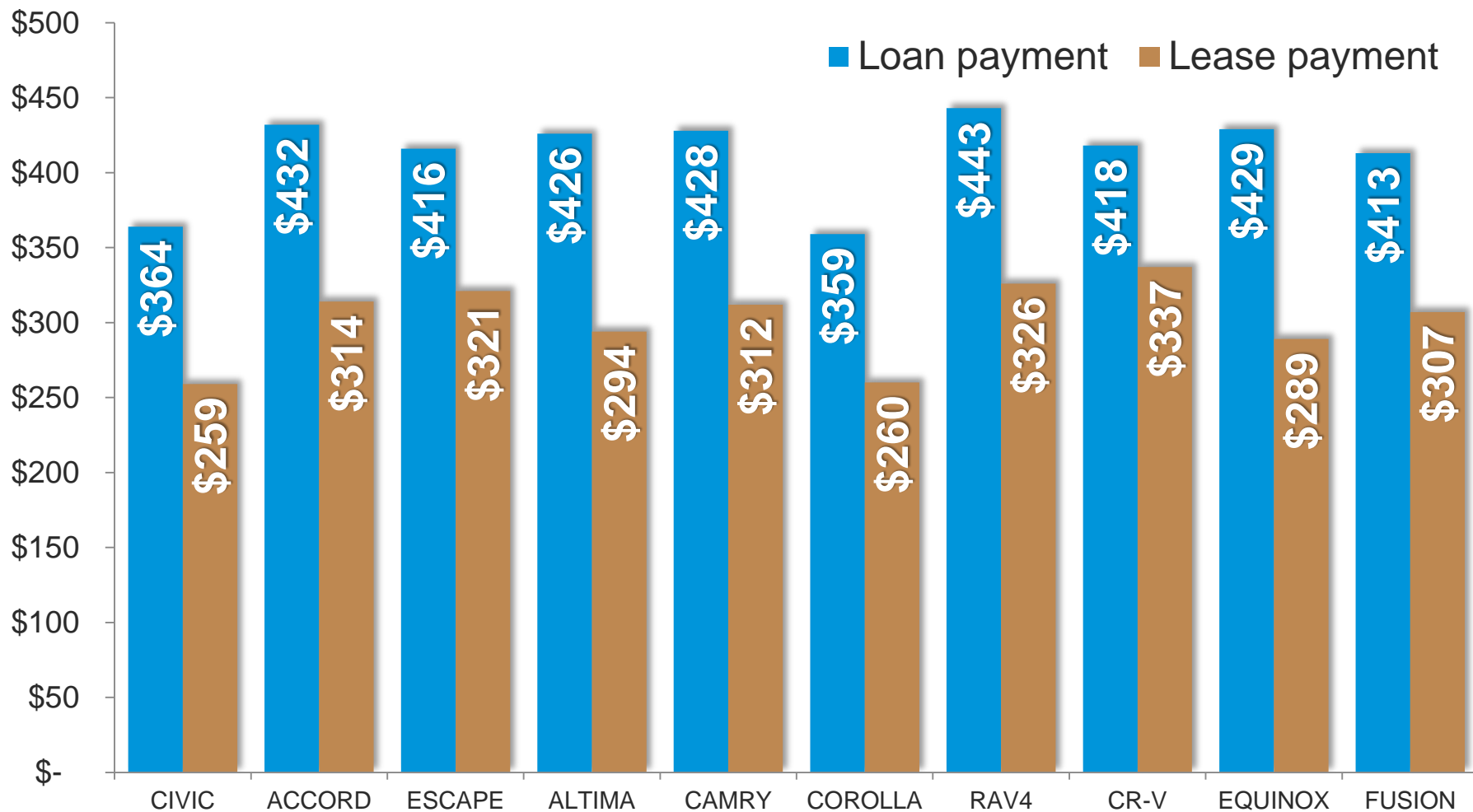
Term distribution



Source: Experian Automotive



Average payment comparison on top new leased models

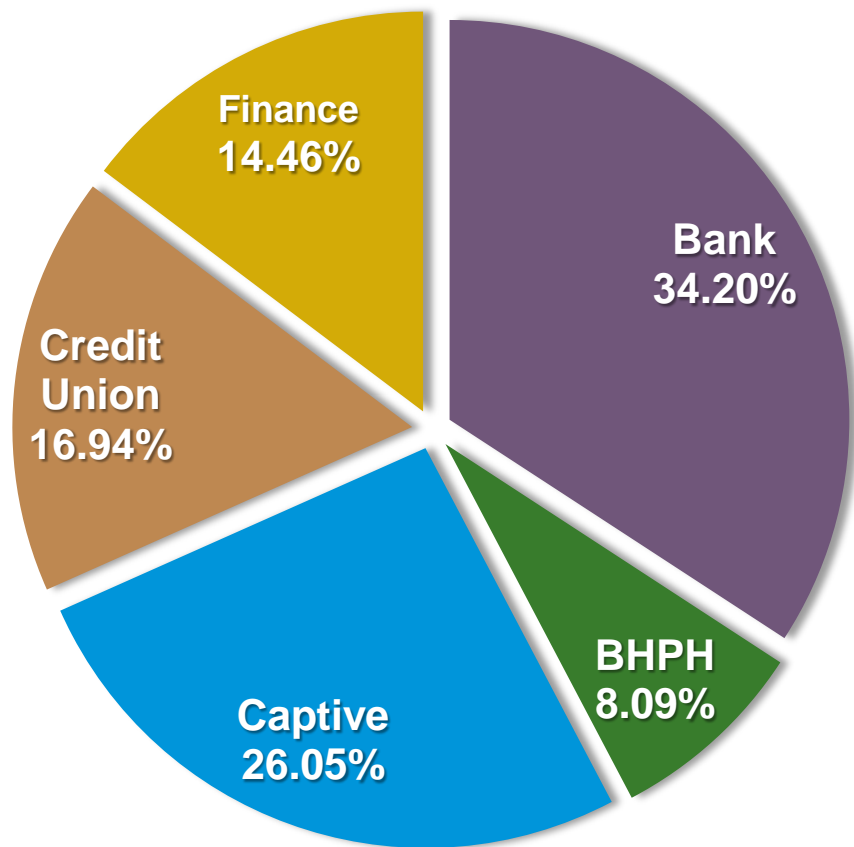


Source: Experian Automotive

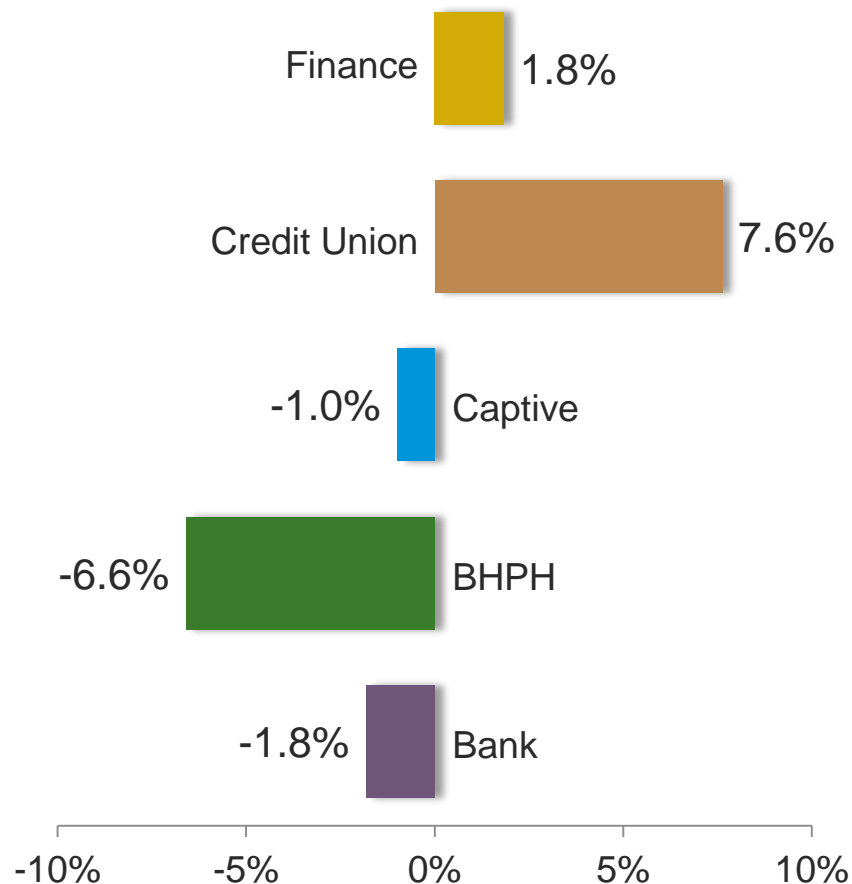


Automotive finance by lender type

Q1 2015 total loan market share



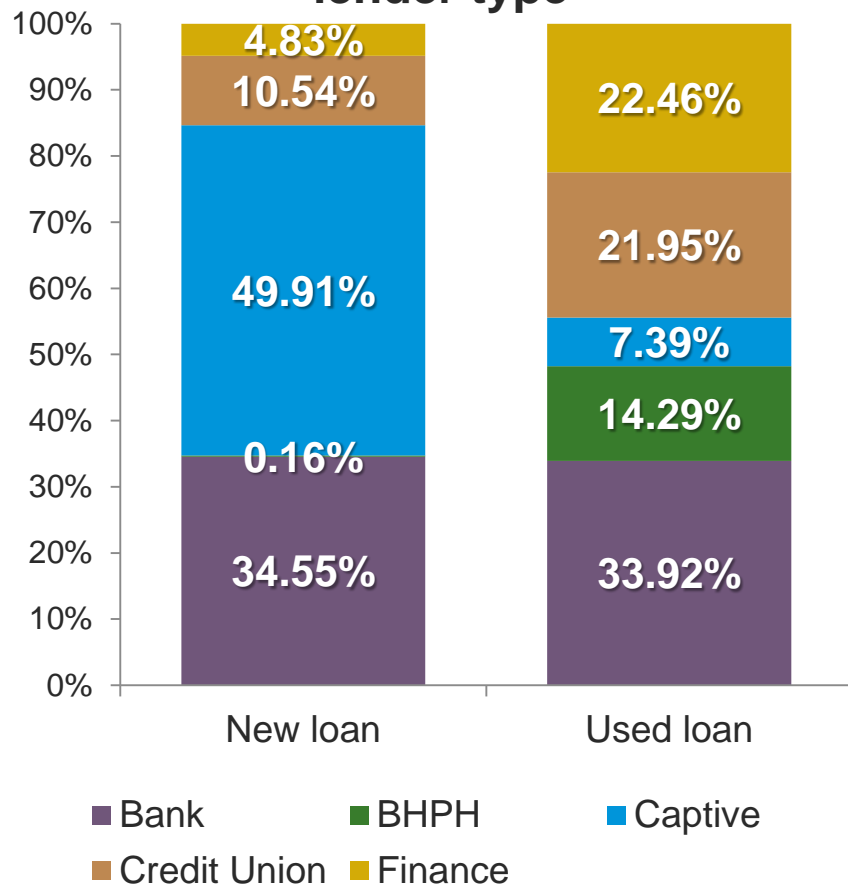
YOY change in market share



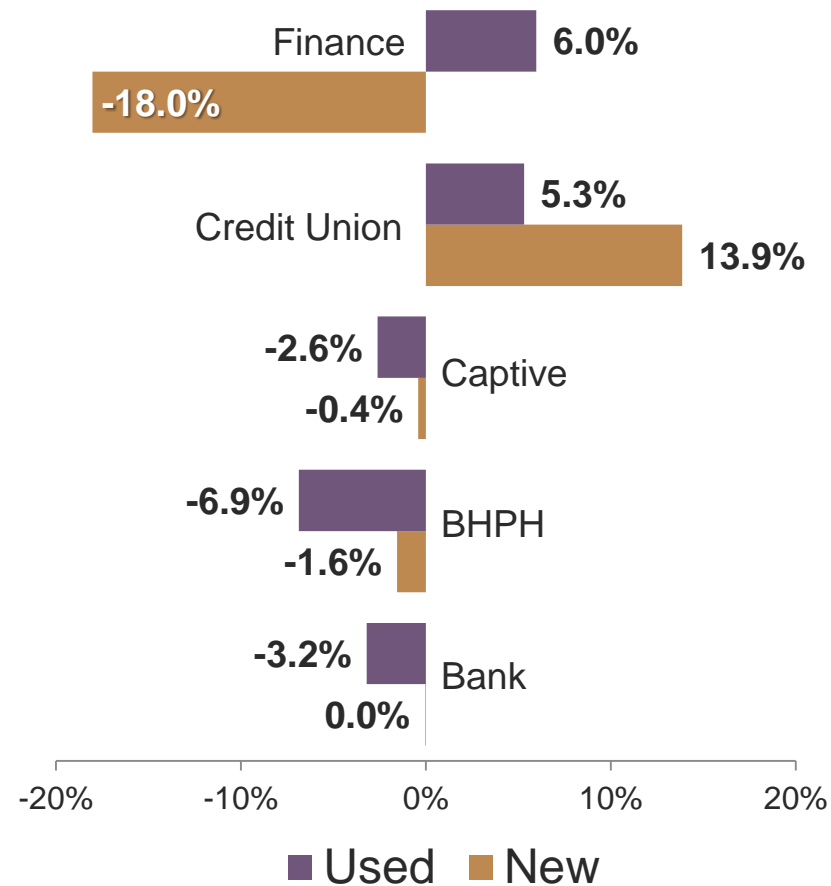


Automotive finance by lender type

Q1 2015 market share by lender type



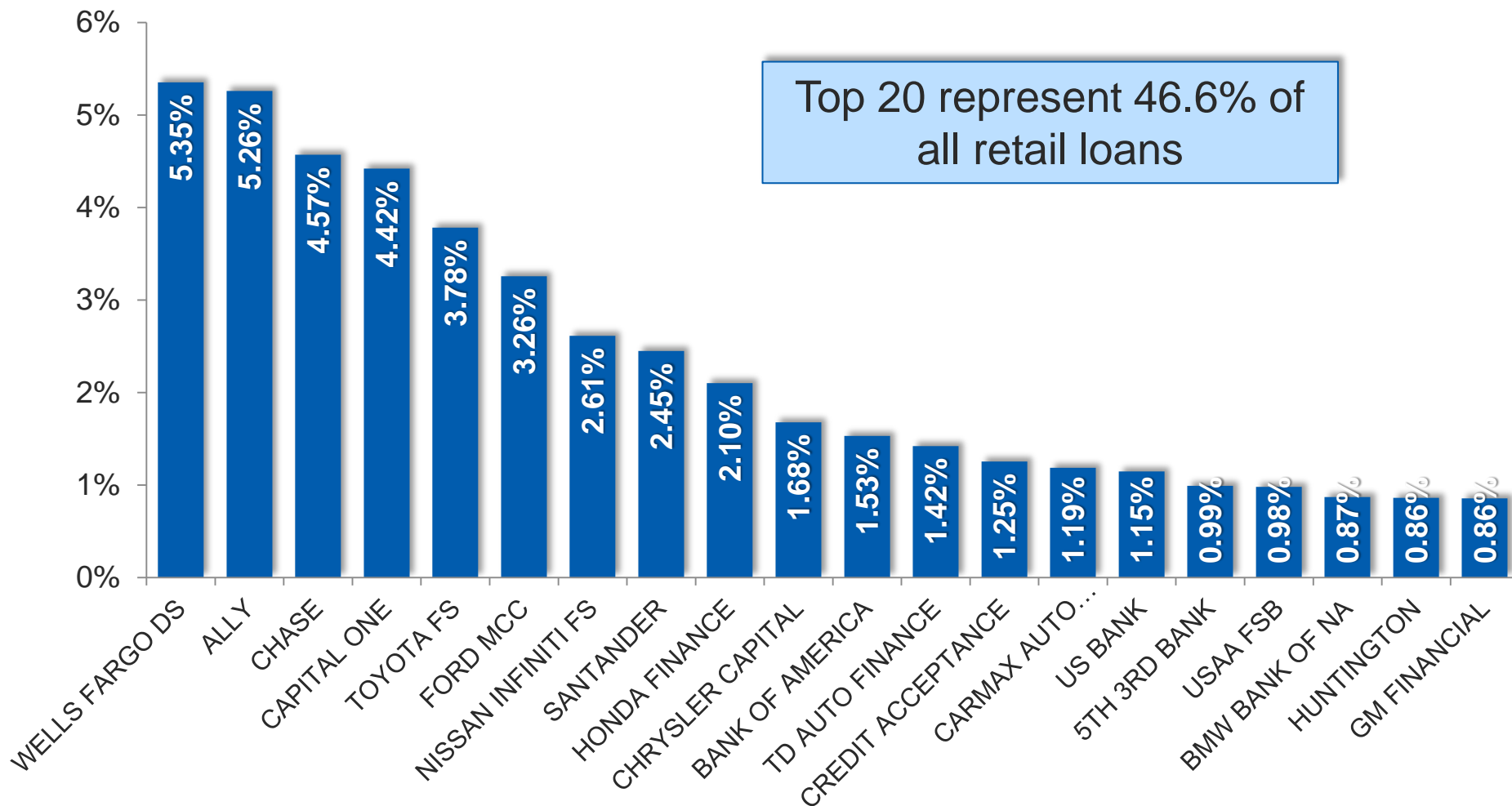
YOY Change in market share



Source: Experian Automotive



Top 20 lenders in the retail loan market





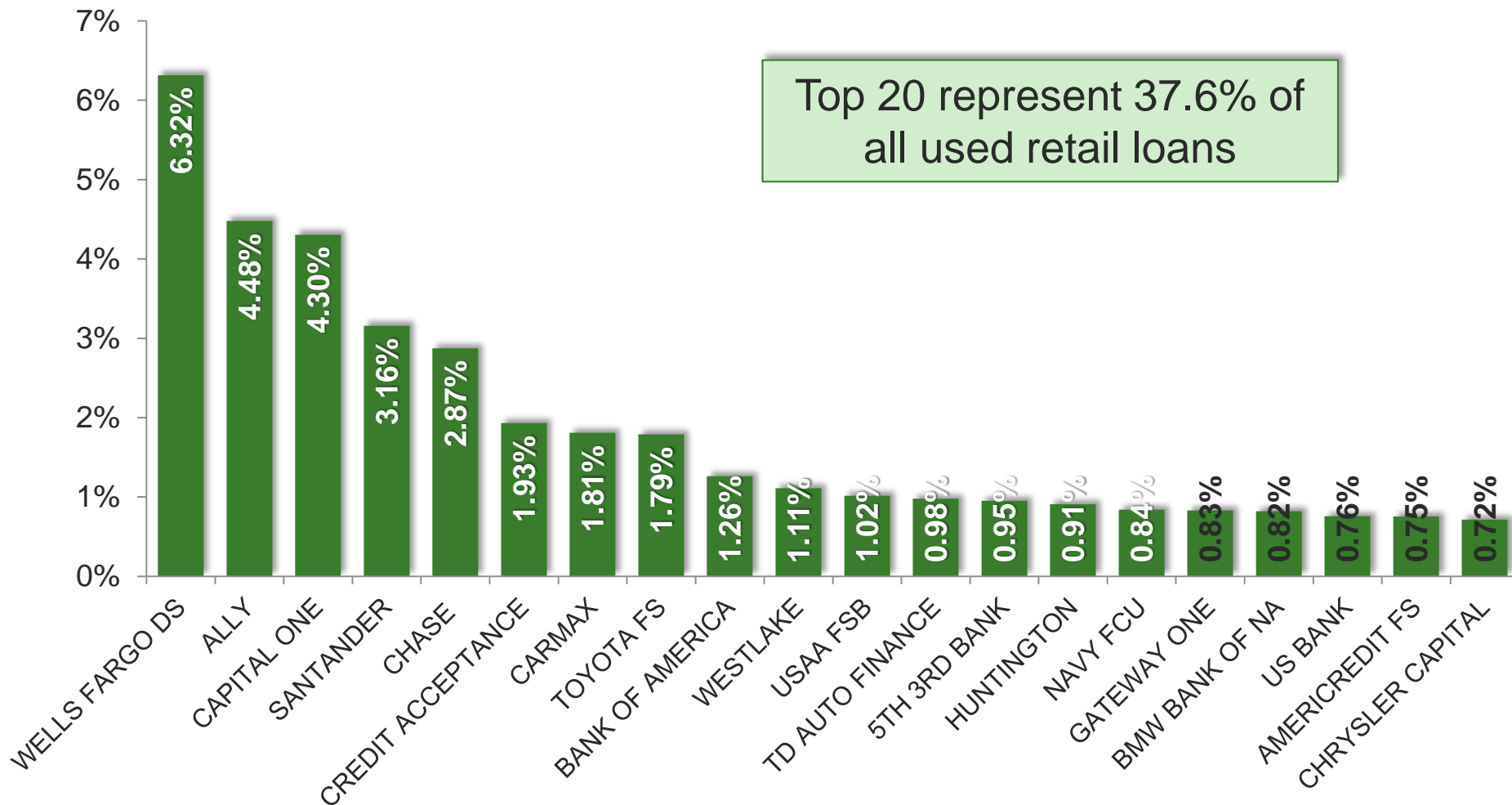
Top 20 lenders in the NEW retail loan market



Source: Experian Automotive

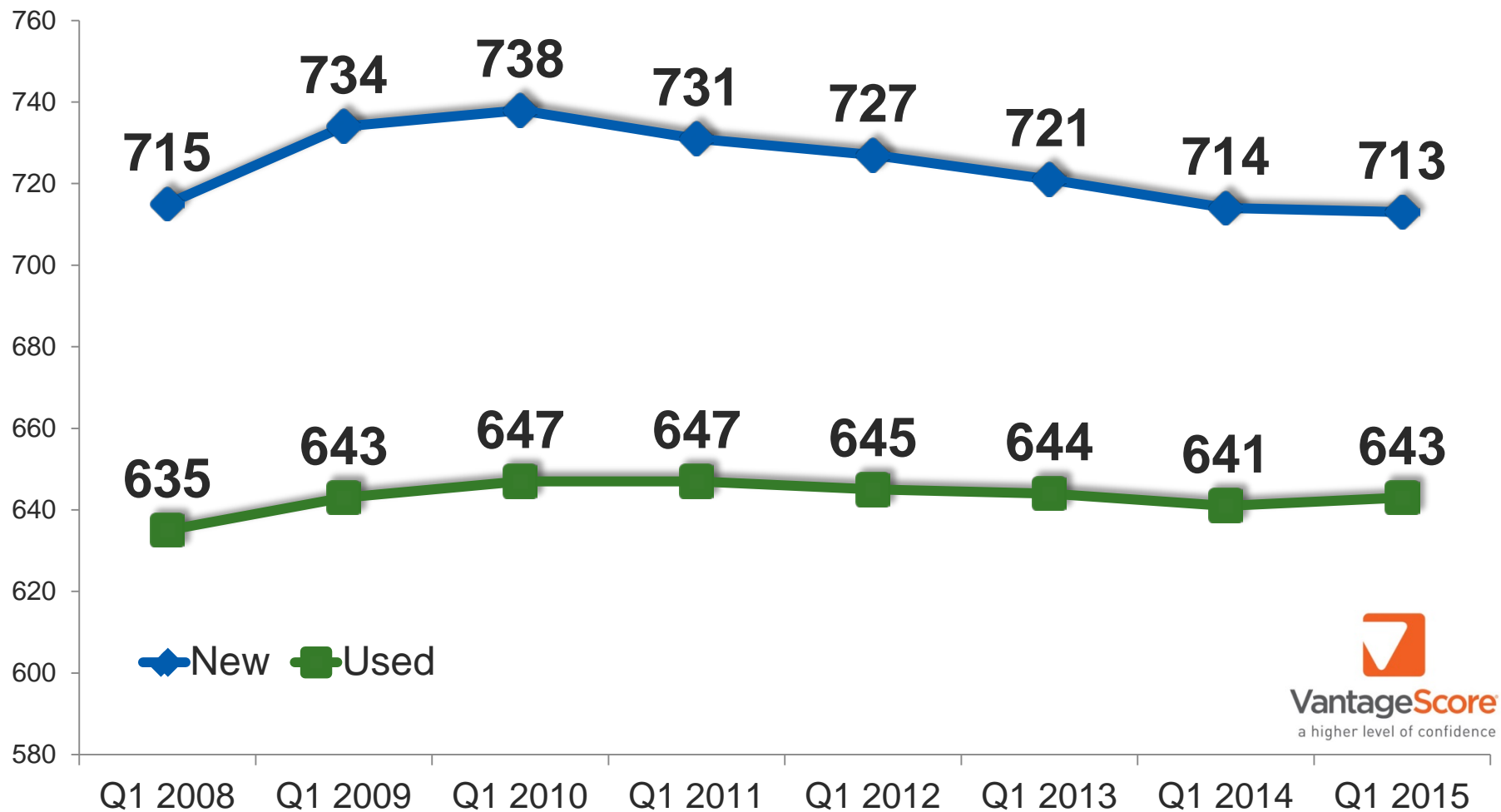


Top 20 lenders in the USED retail loan market





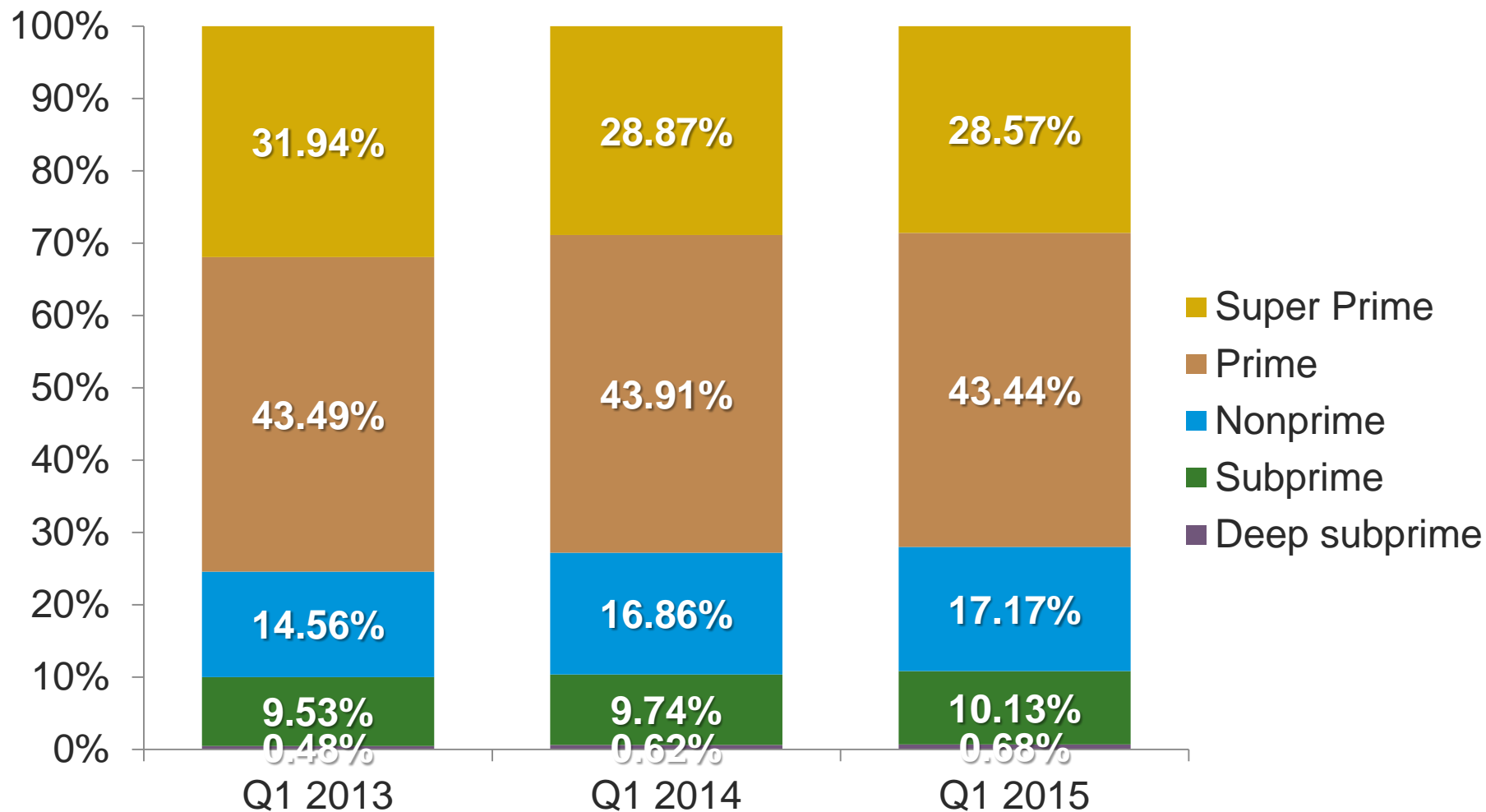
Average loan credit scores by vehicle type



Source: Experian Automotive



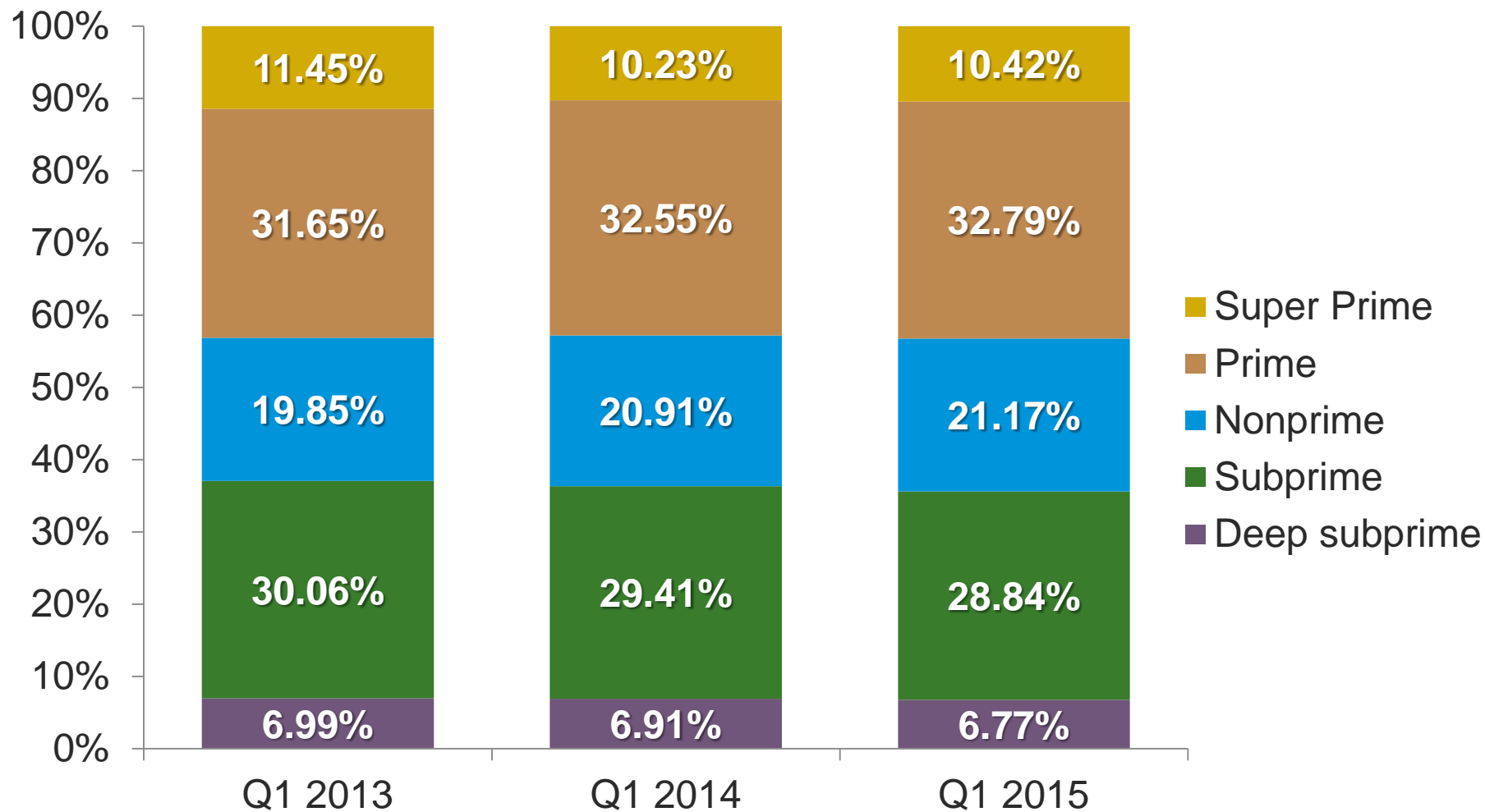
New loans by risk segment



Source: Experian Automotive



Used loans by risk segment

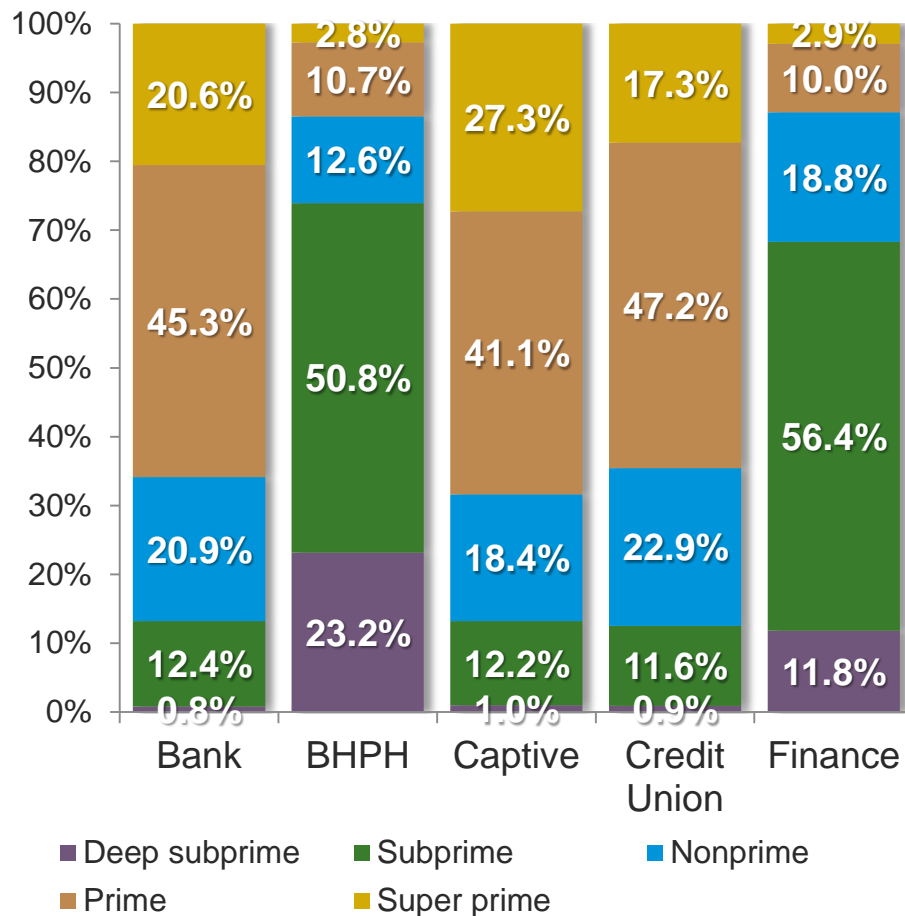


Source: Experian Automotive

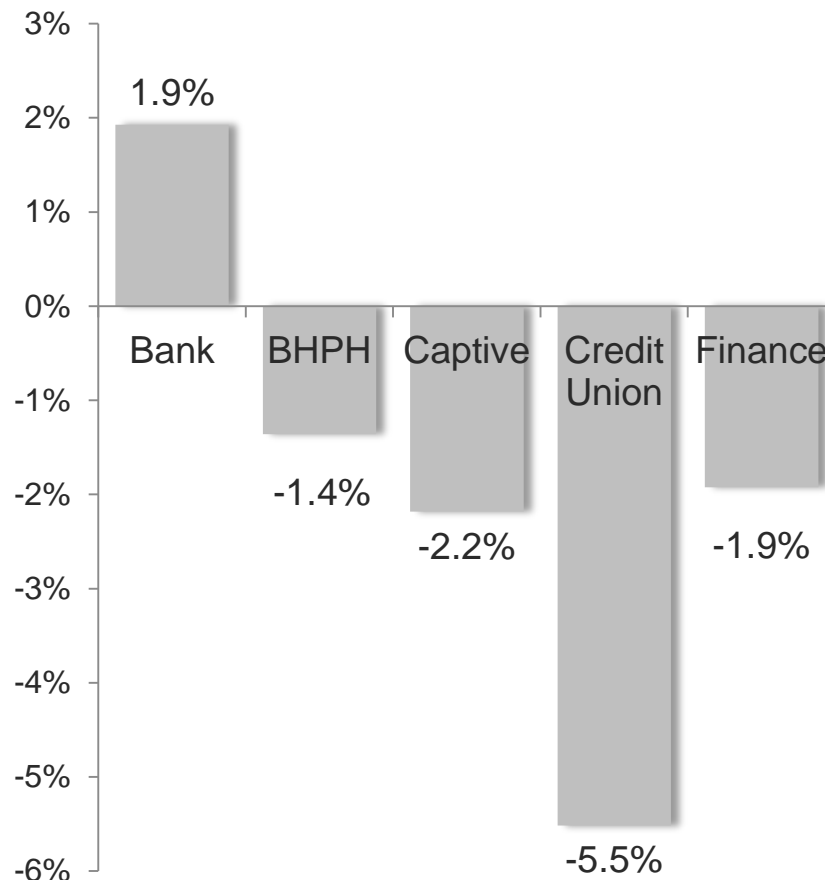


Risk distribution by lender type

Risk distribution of market share



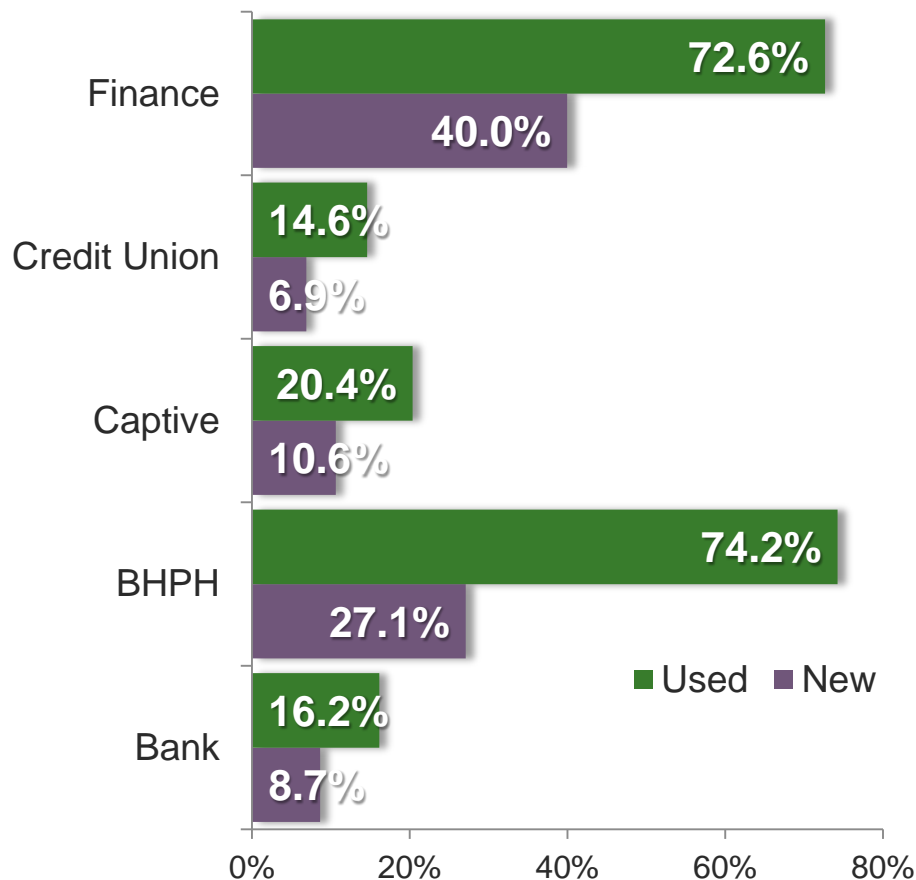
YOY change in highest risk (<600) segment



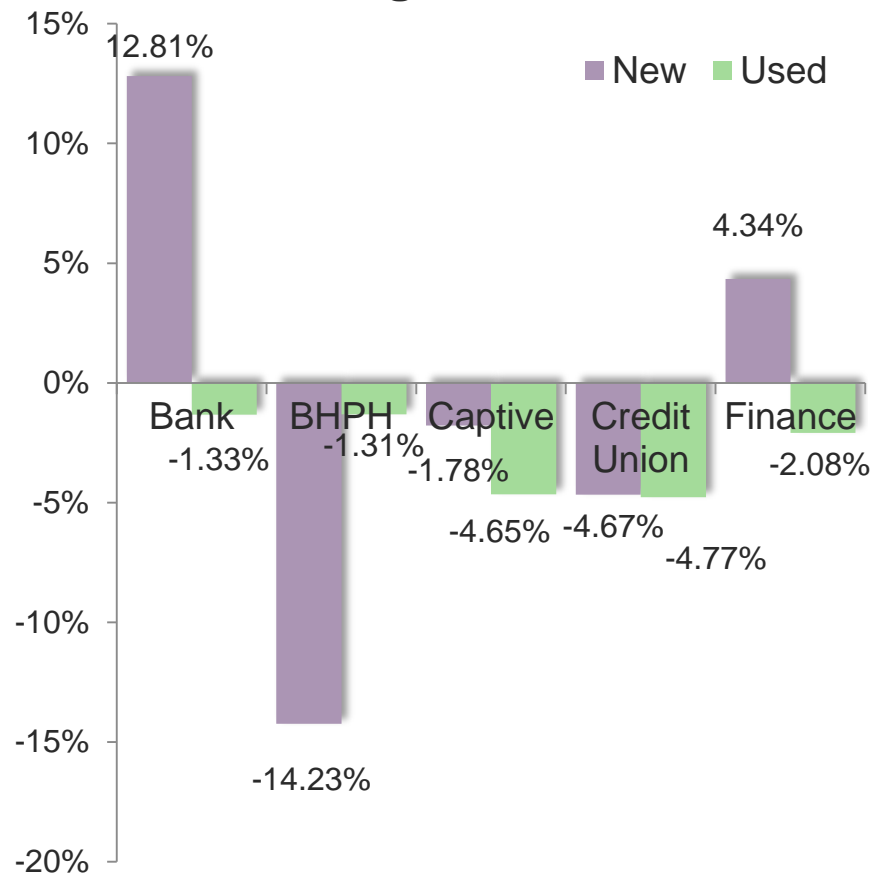


Risk distribution by lender type

Percentage of financing in highest risk segments (<600)



YOY change in highest risk segments

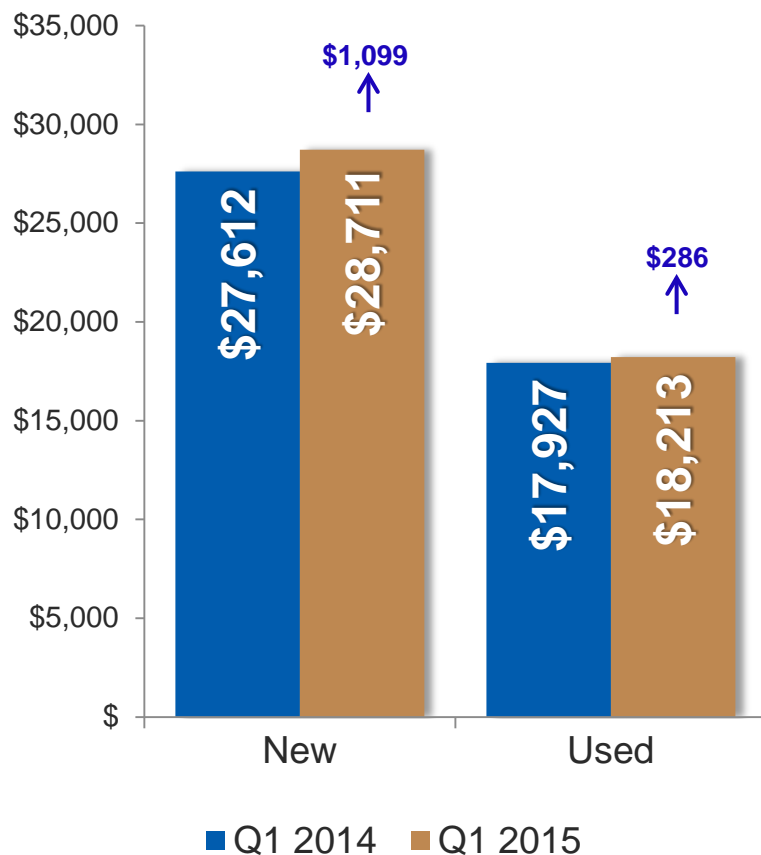


Source: Experian Automotive

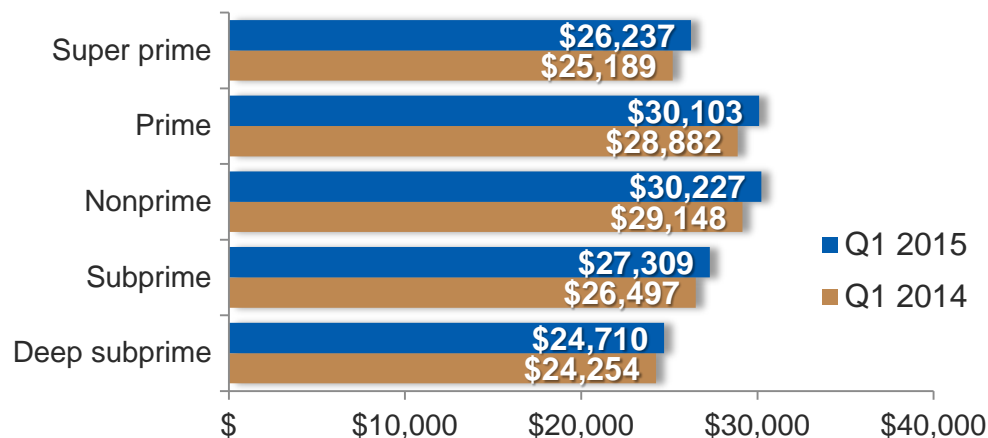


Average financing by risk segment on new and used vehicle loans

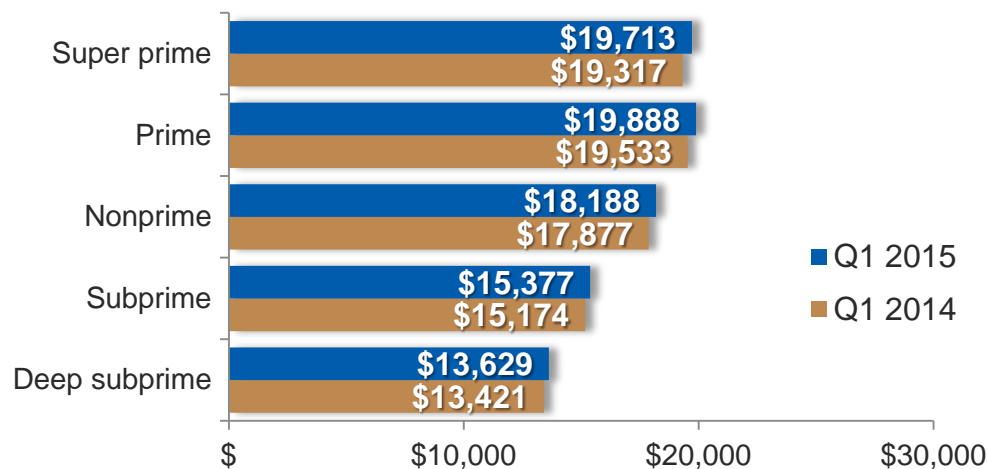
Average amount financed



Average new amount financed



Average used amount financed

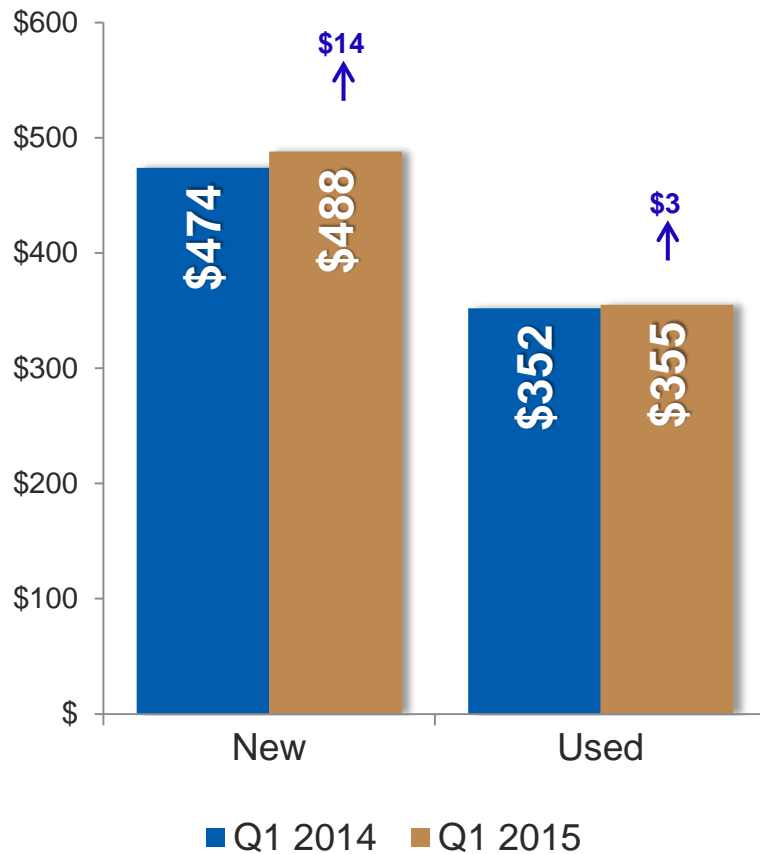


Source: Experian Automotive

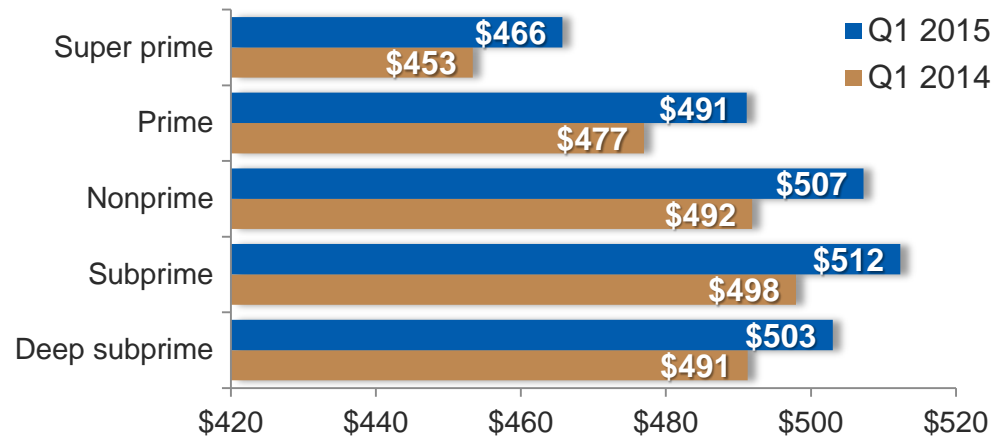


Average payments by risk segment on new and used vehicle loans

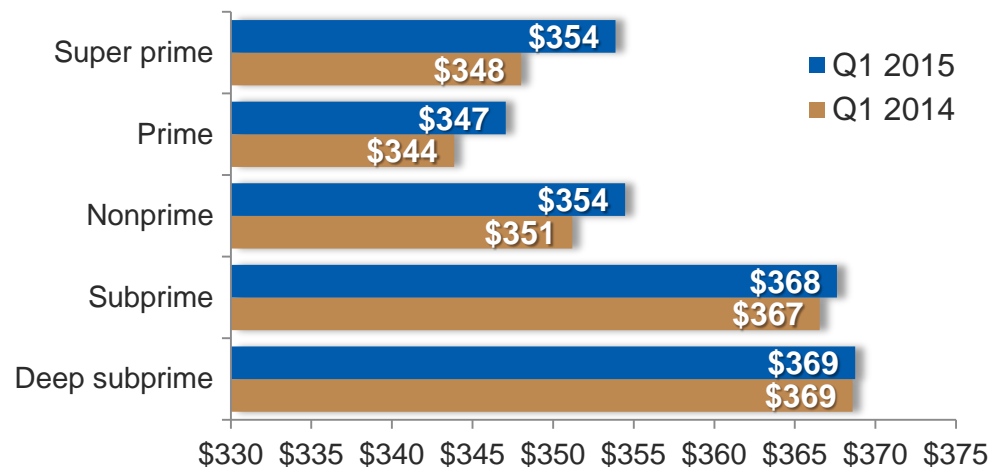
Average monthly payment



Average new payment



Average used payment

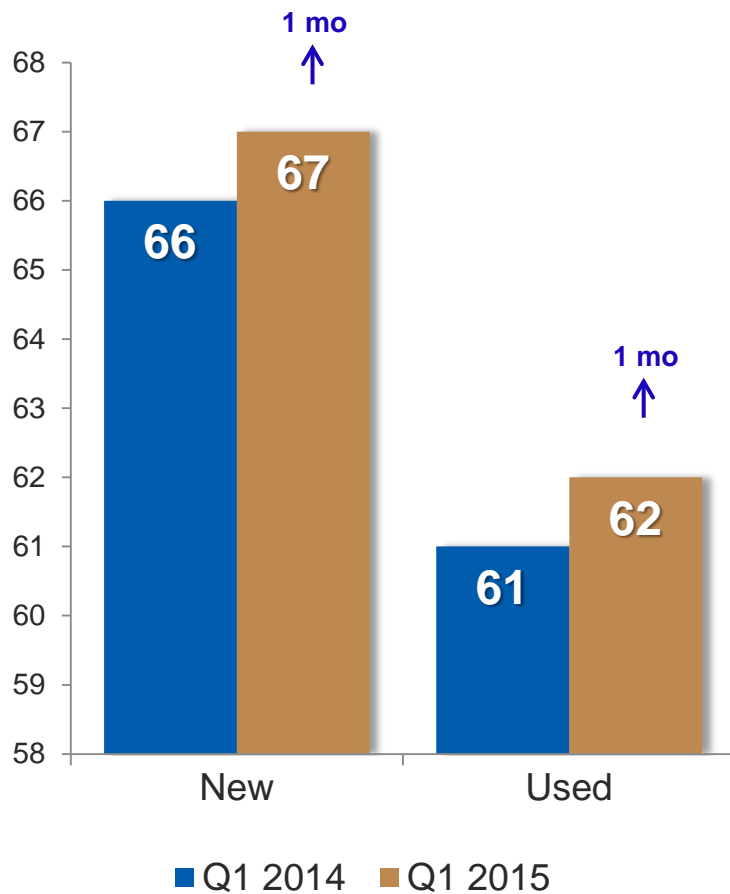


Source: Experian Automotive

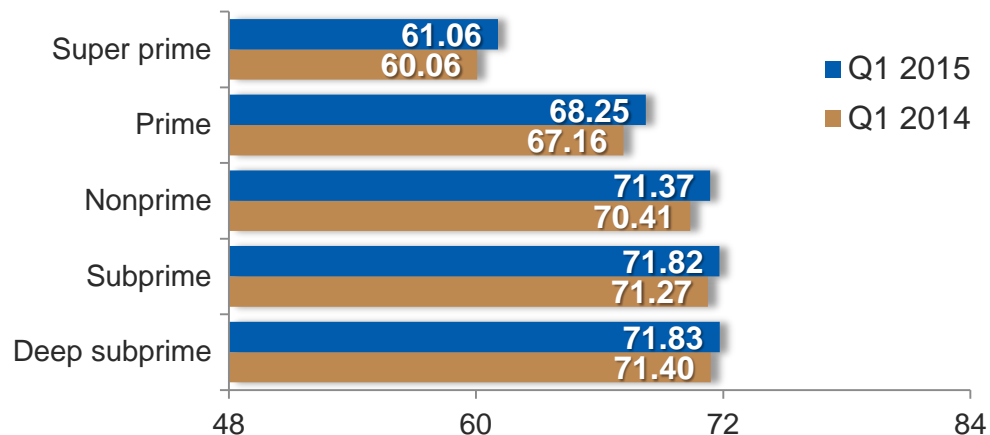


Average term by risk segment on new and used vehicle loans

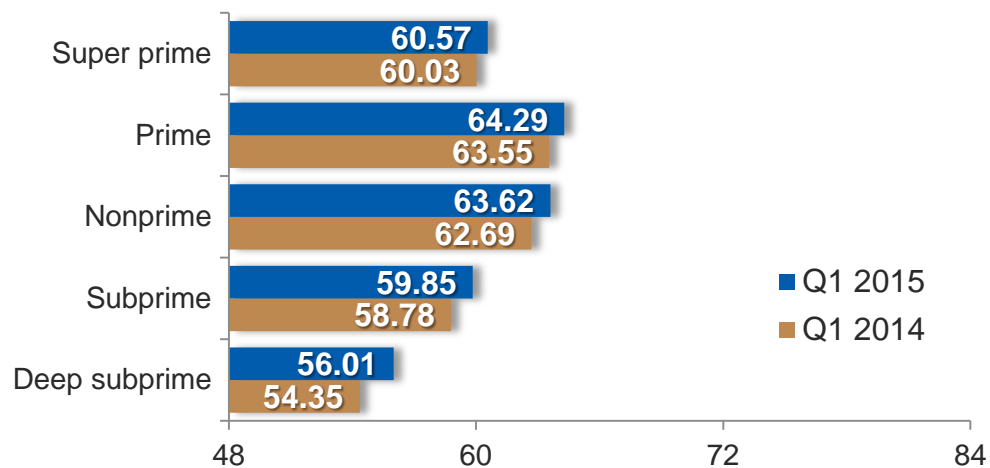
Average term



Average new term



Average used term

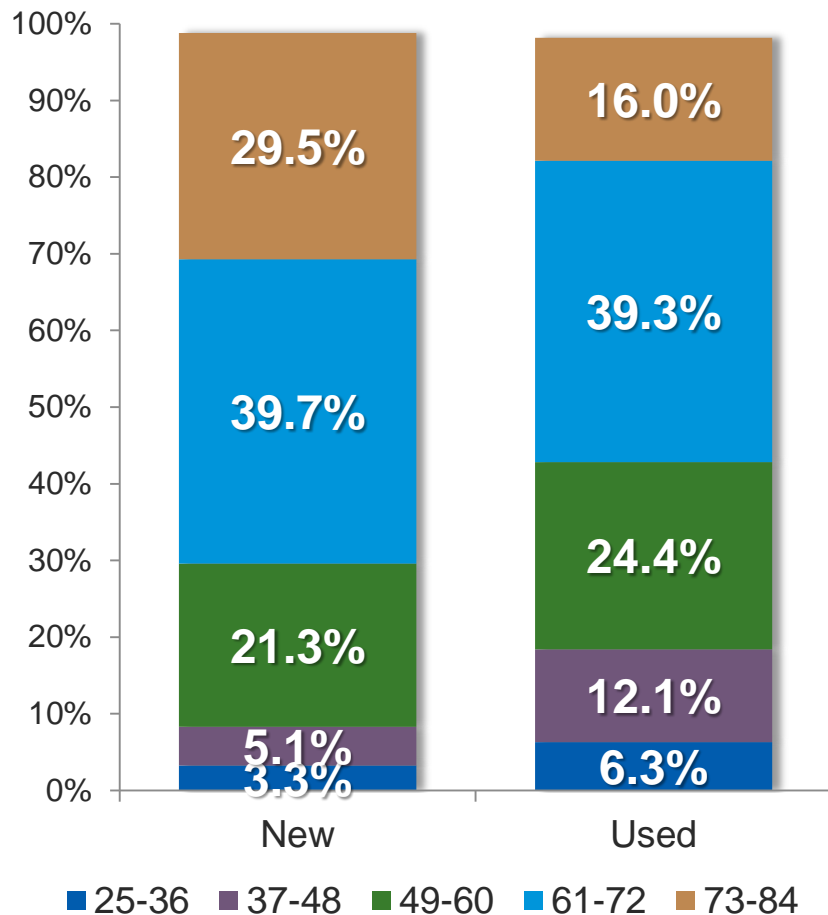


Source: Experian Automotive

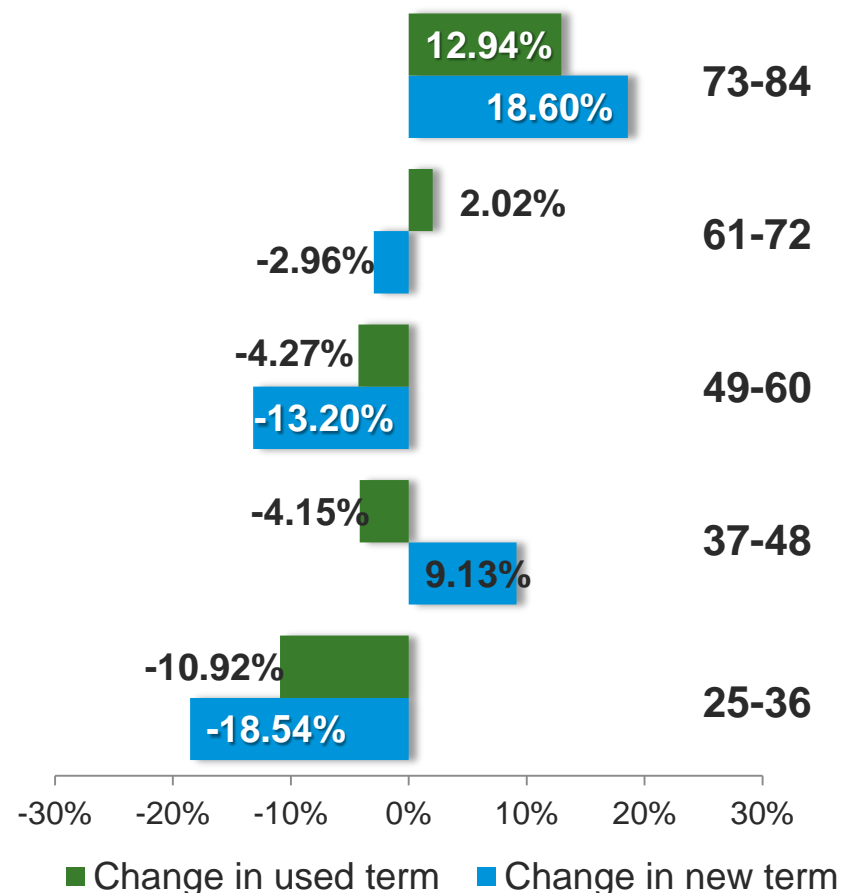


Distribution of loan term

Vehicle financing by term



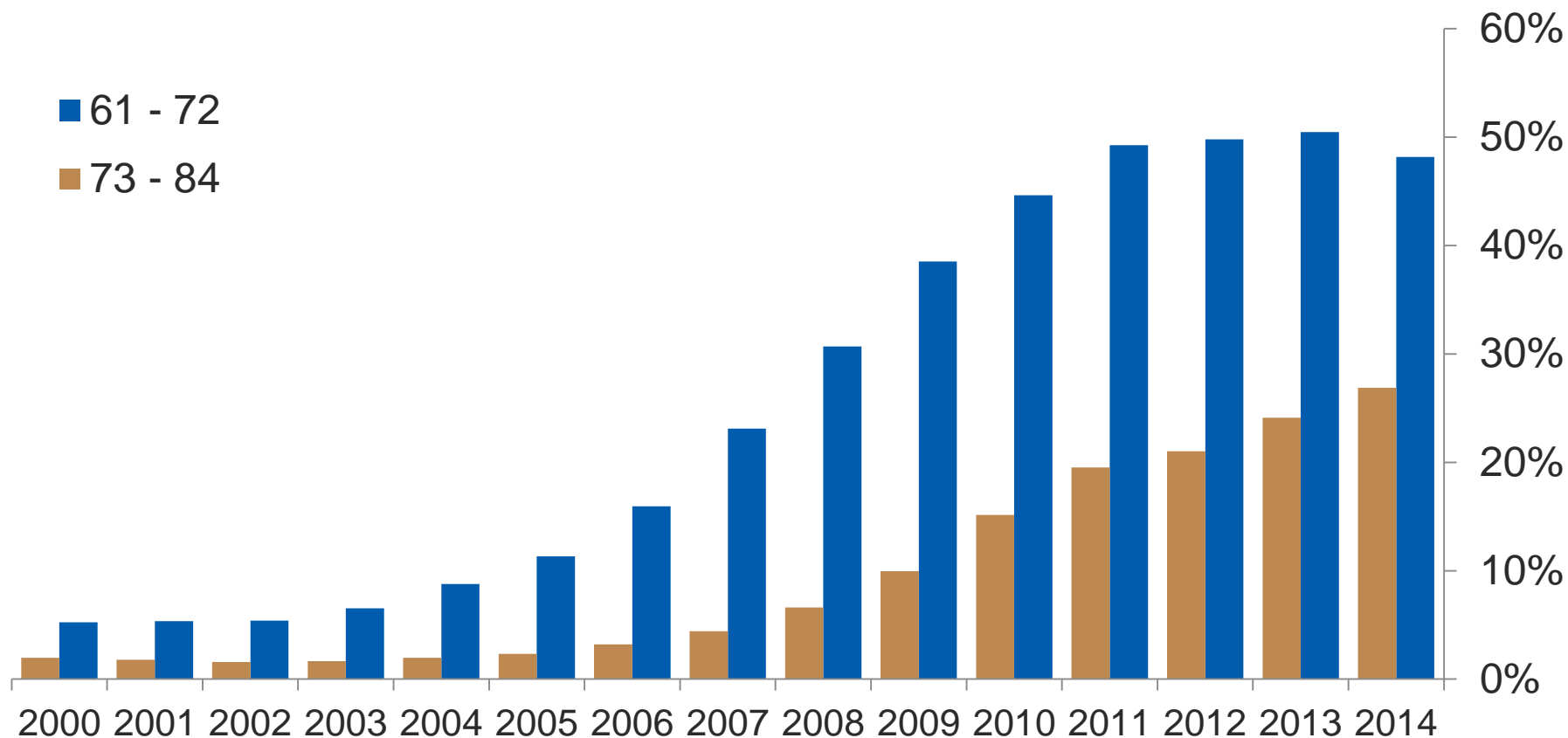
Change in term share





Longer term loans on used vehicles

Percentage of used financing on longer term loans by model year

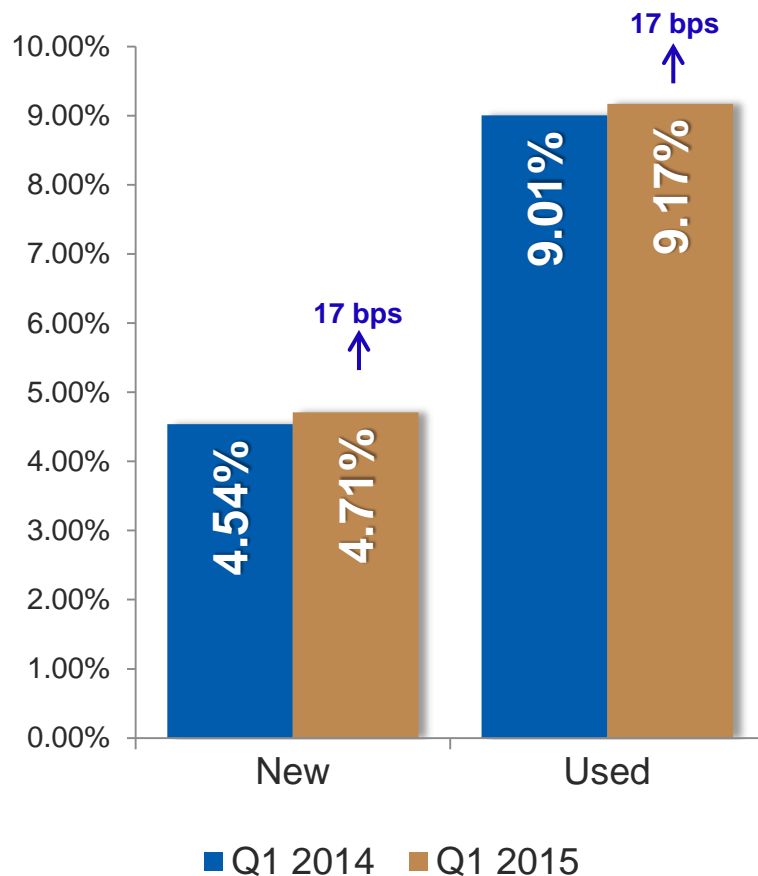


Source: Experian Automotive

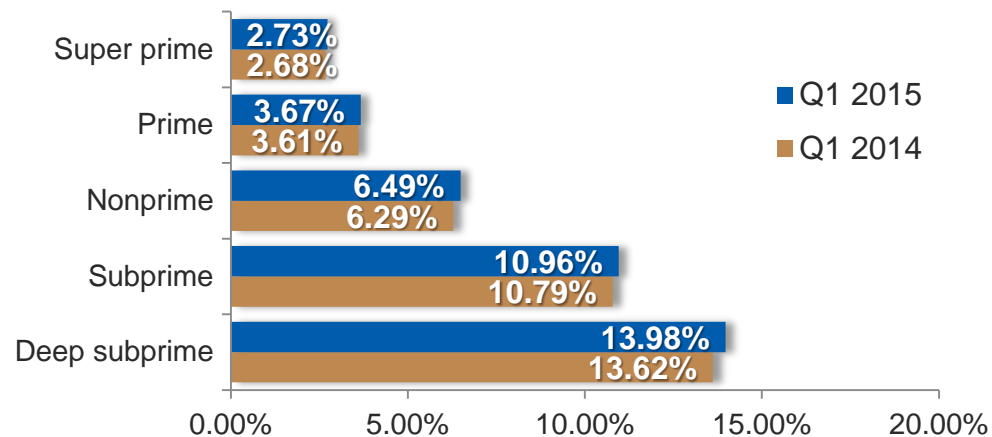


Average rate by risk segment on new and used vehicle loans

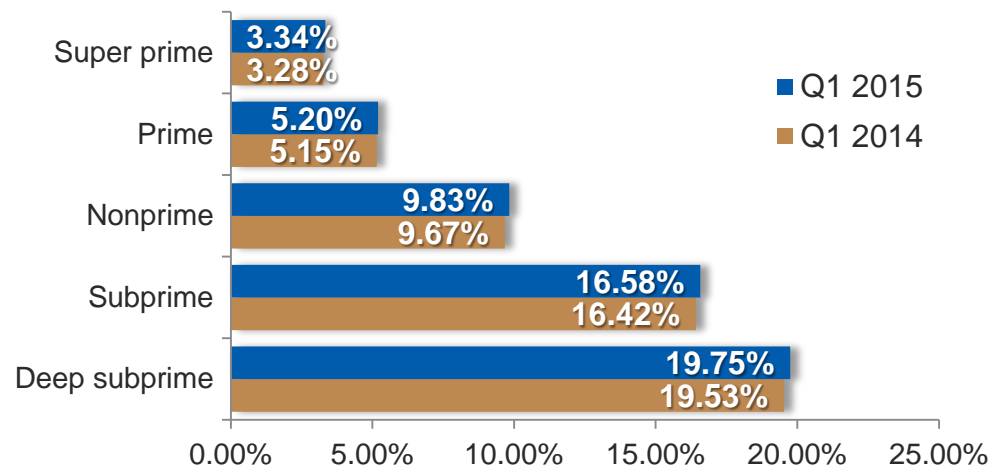
Average rate



Average new rate



Average used rate



Source: Experian Automotive

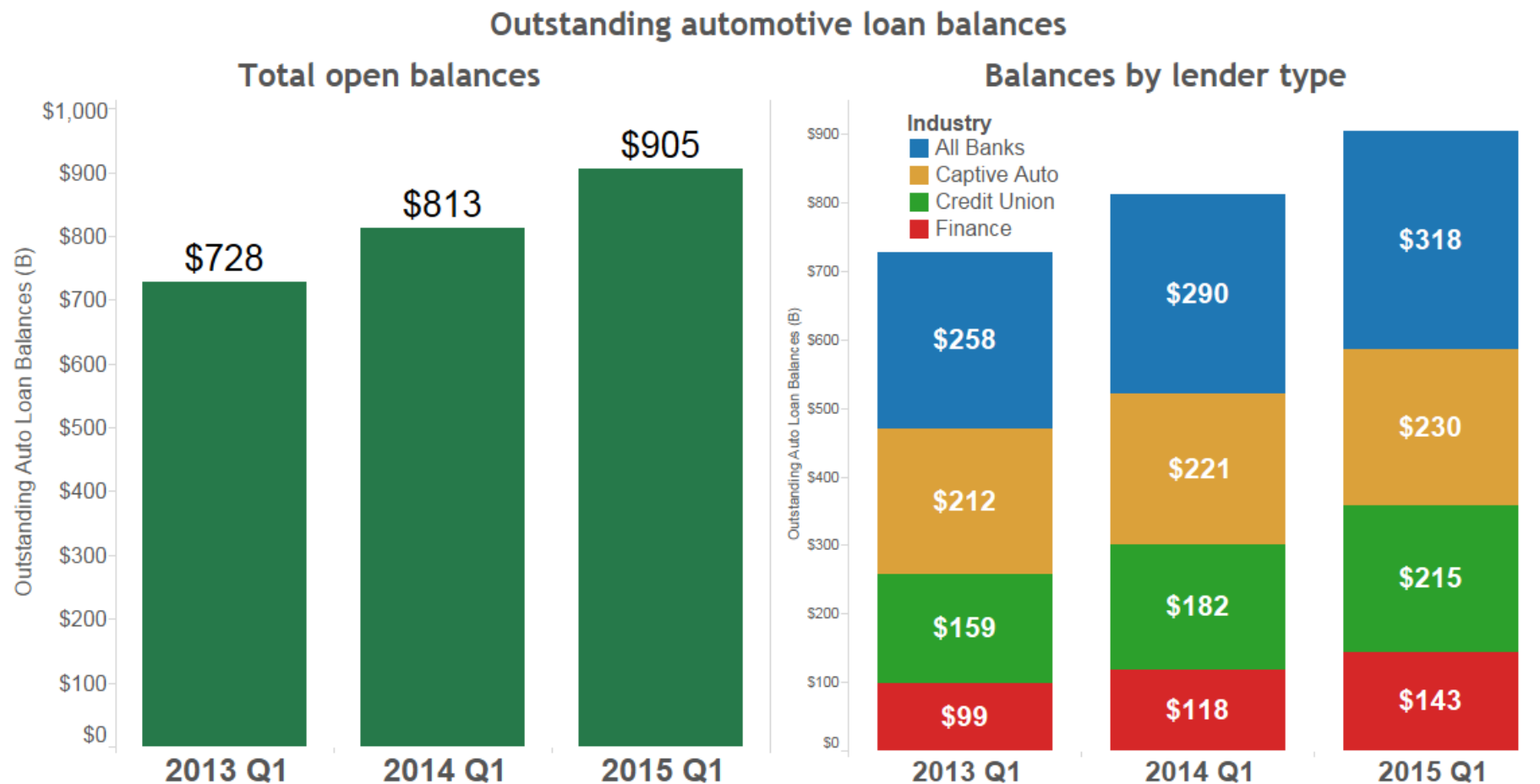


Overall Automotive Finance Market

**Market overview and
delinquency**



A look at automotive loan balances



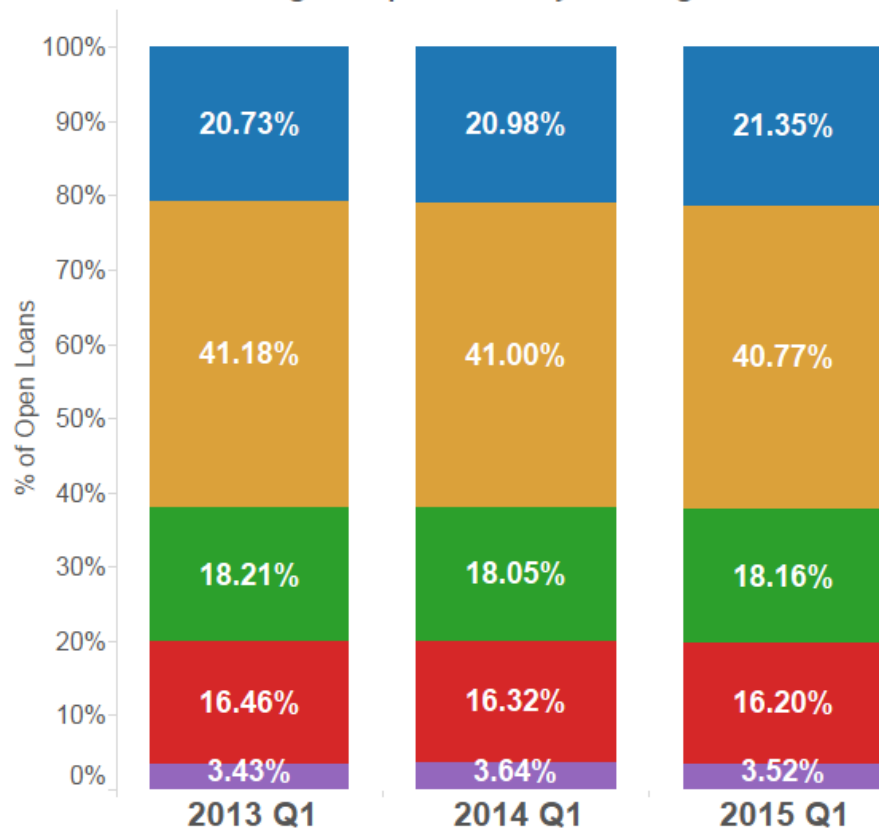
Source: Experian-Oliver Wyman Market Intelligence Reports



Open loan overview

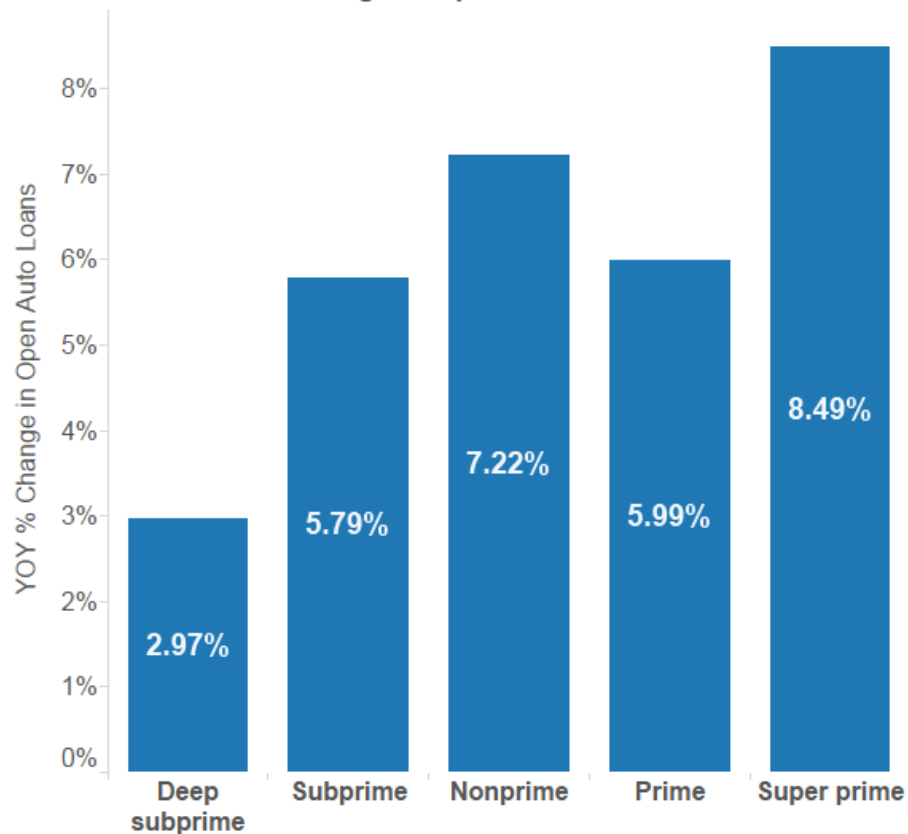
Risk distribution of open loans

Percentage of Open Loans by Risk Segment



■ Super prime ■ Prime ■ Nonprime
■ Subprime ■ Deep subprime

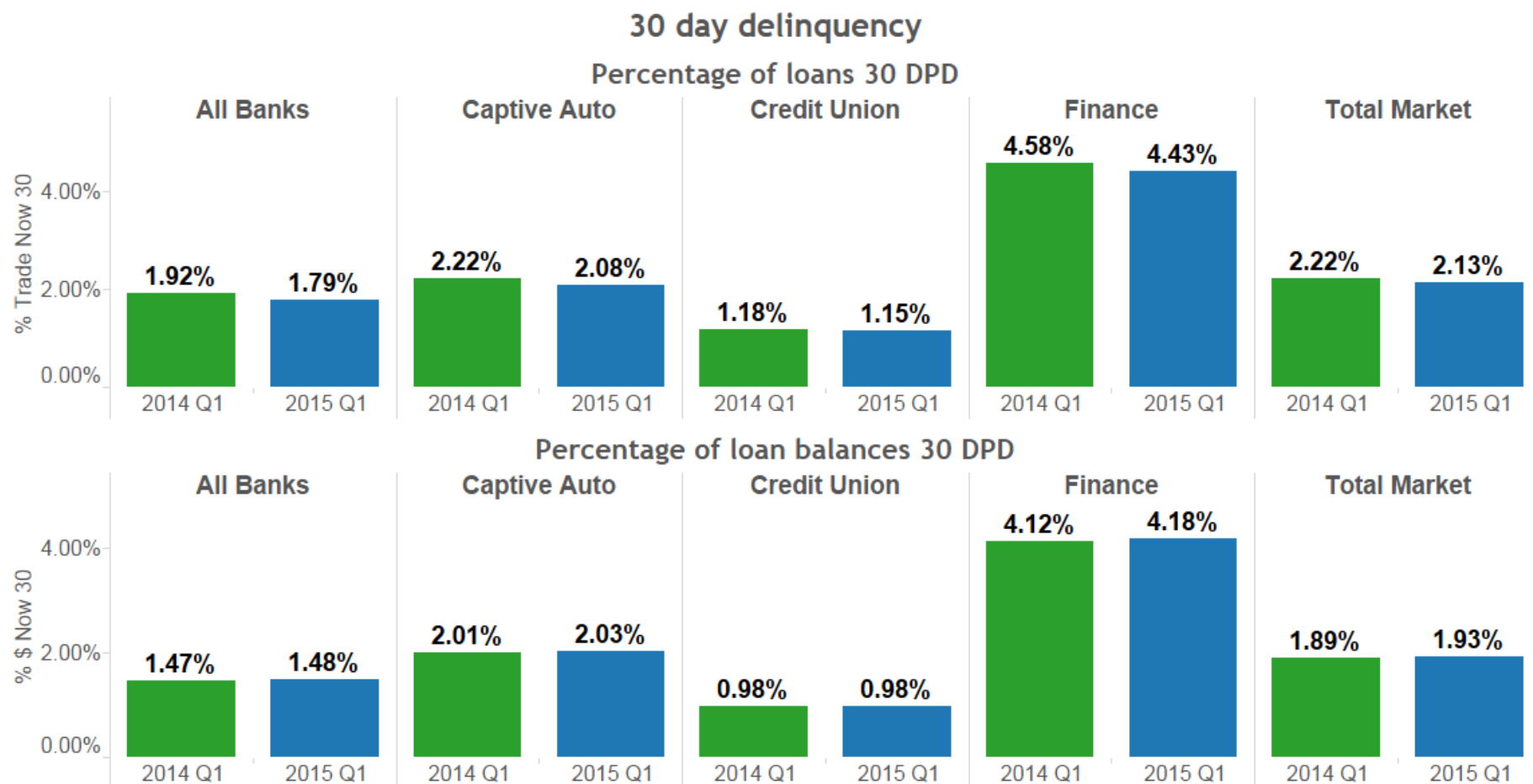
YOY Change in Open Loan Volume



Source: Experian-Oliver Wyman Market Intelligence Reports



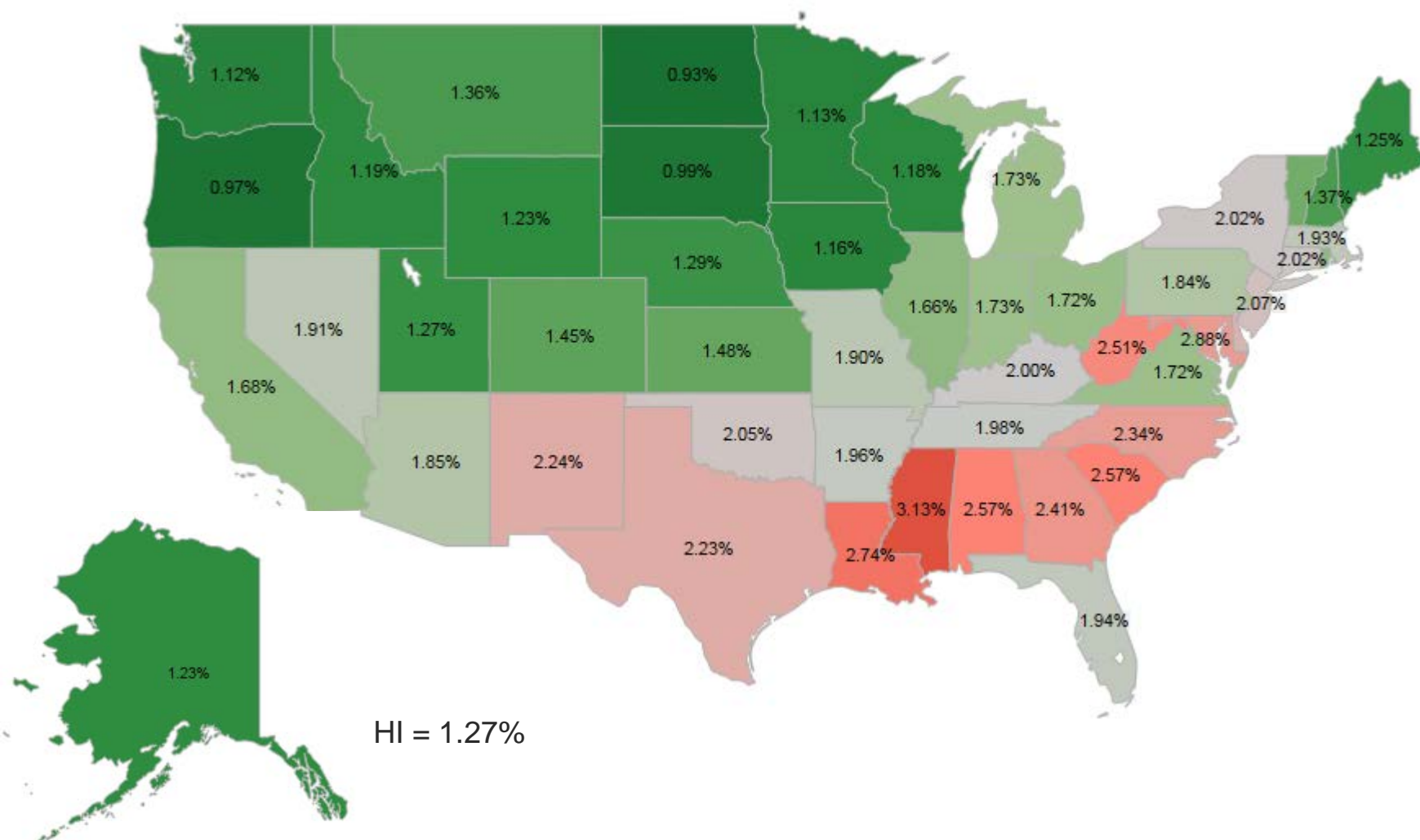
Recent automotive delinquency: 30 day delinquency



Source: Experian-Oliver Wyman Market Intelligence Reports



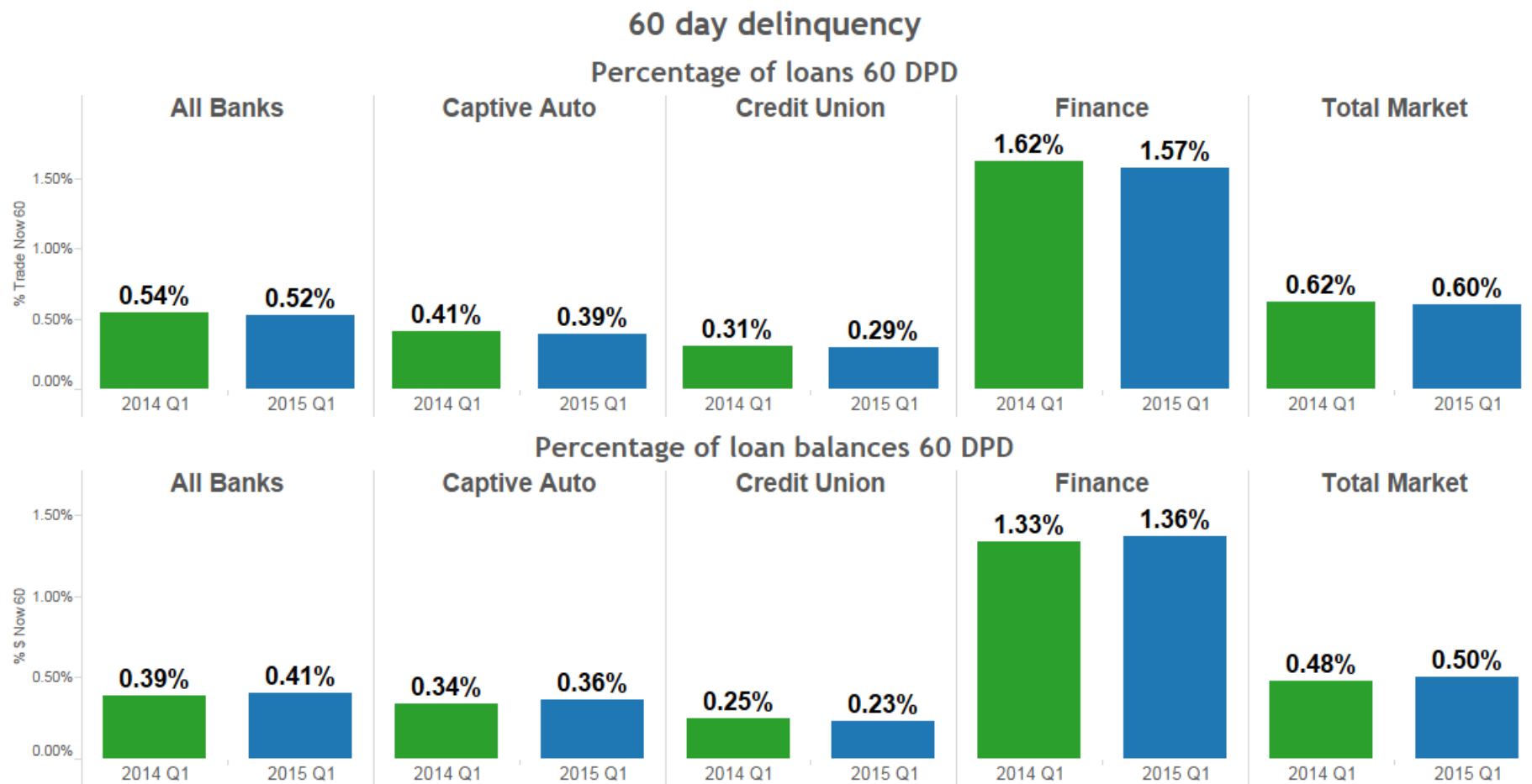
30-day delinquency balances by state



Source: Experian-Oliver Wyman Market Intelligence Reports



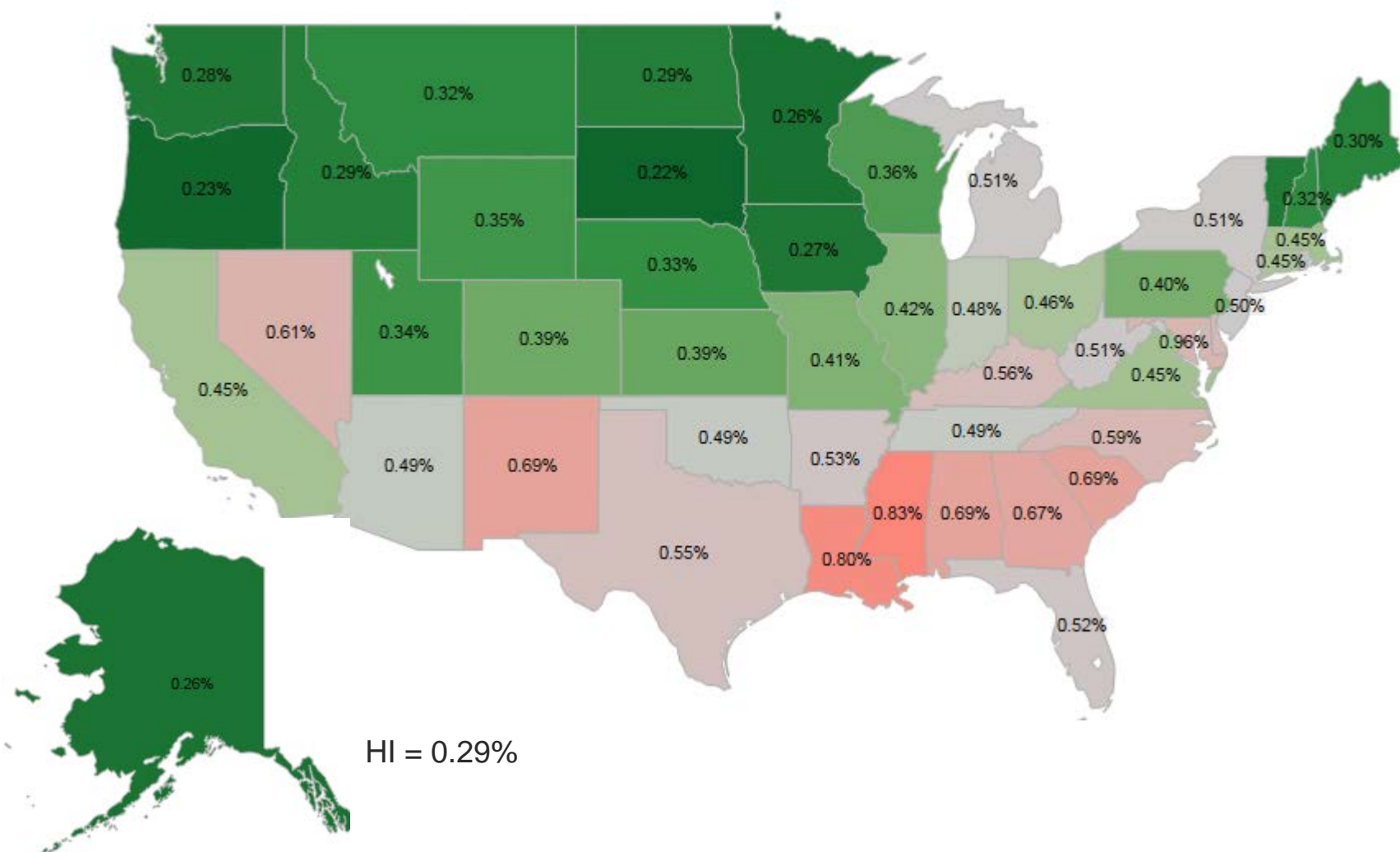
Recent automotive delinquency: 60 day delinquency



Source: Experian-Oliver Wyman Market Intelligence Reports



60-day delinquency balances by state



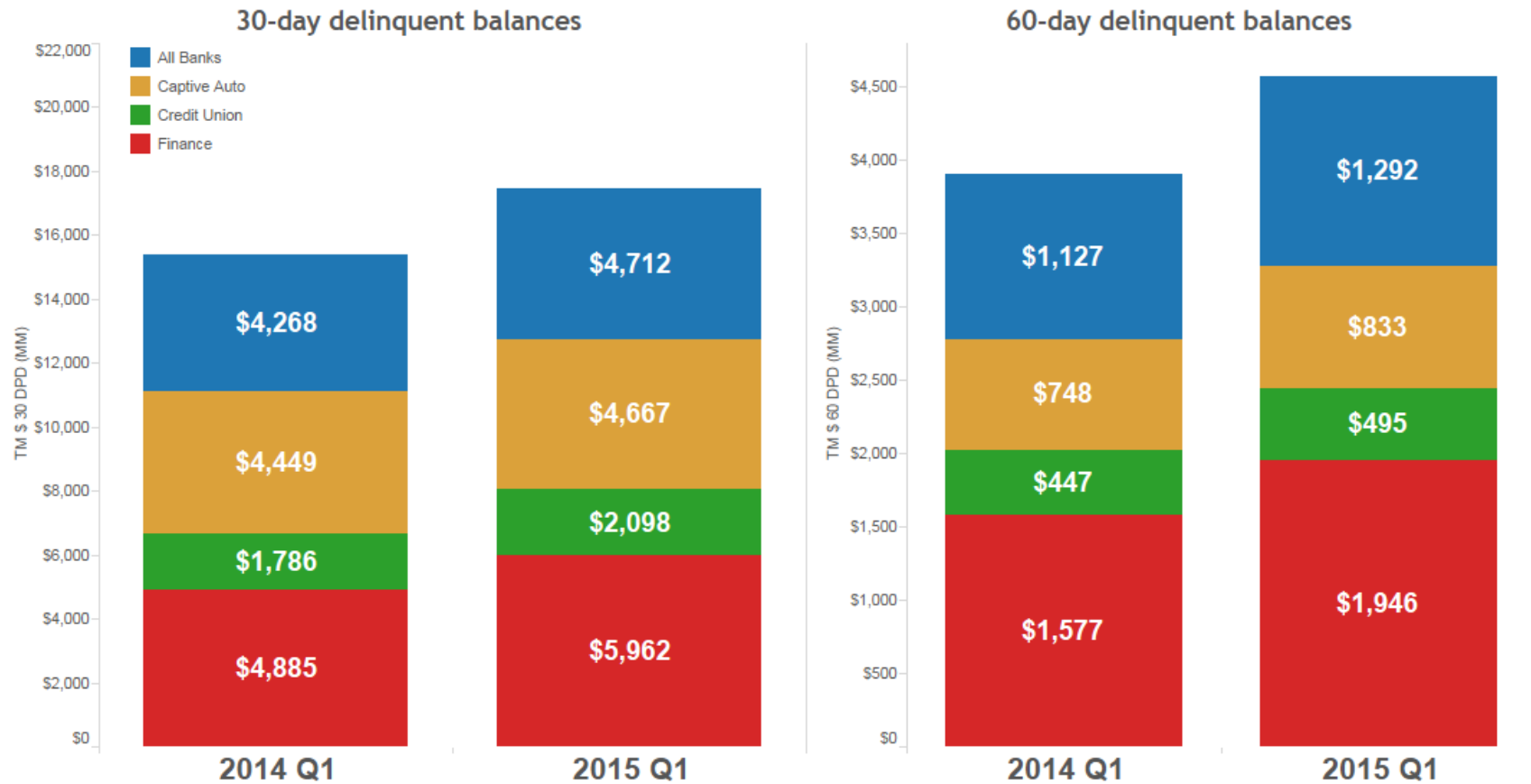
HI = 0.29%

Source: Experian-Oliver Wyman Market Intelligence Reports



Balances at risk

Delinquent Balances



Source: Experian-Oliver Wyman Market Intelligence Reports



In summary

- Open balances reach all-time highs with majority of loans/balances in prime+
- Delinquencies remain flat
- Leasing reaches all-time highs
- Modest high risk growth for new financing; used down YOY
- Loan amounts and payments reach all-time high for new financing
- Terms continue to lengthen while rates creep for new and used financing





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