



State of the Automotive Finance Market

A look at loans and leases in Q1 2016

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Session overview

Market Overview

- Outstanding balances
- Total risk distributions
- Delinquency

Originations

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

Category	Score Ranges
Prime +	661 – 850
Nonprime	601 – 660
Subprime	300 – 600

Overall Automotive Finance Market

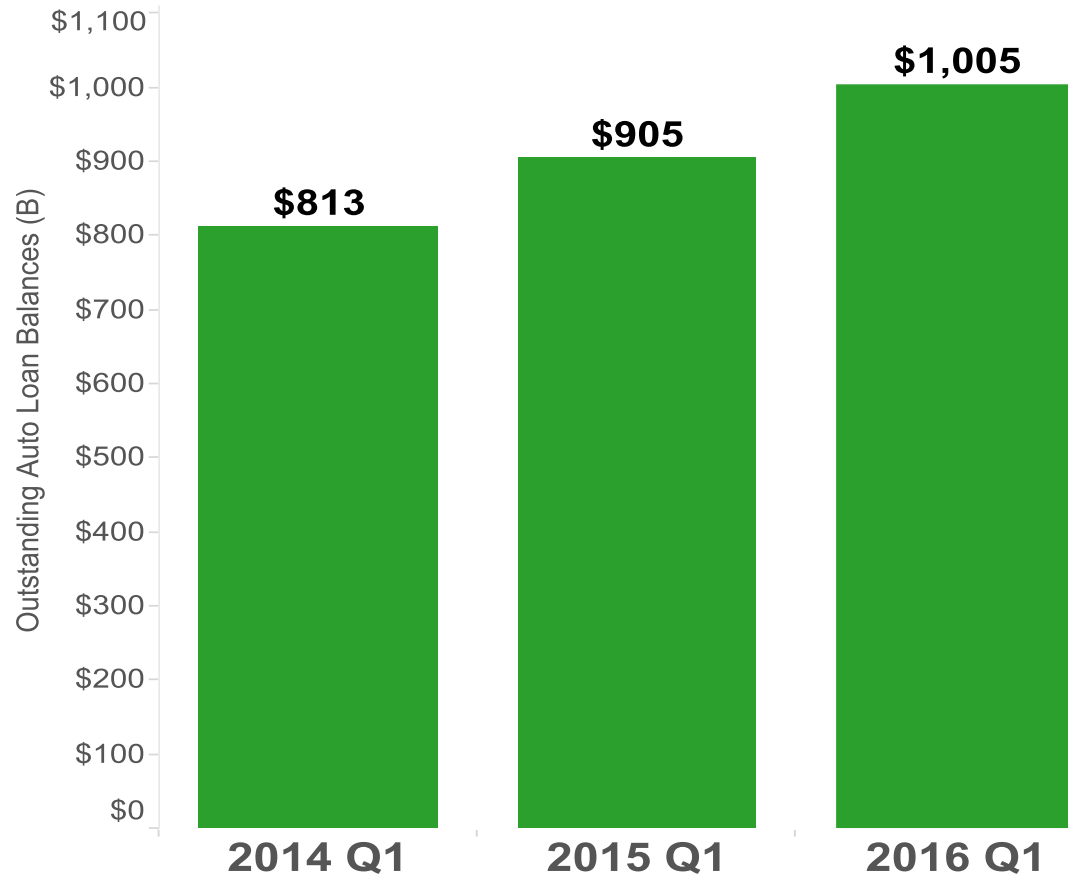
A look balances and delinquencies on all open automotive loans & leases



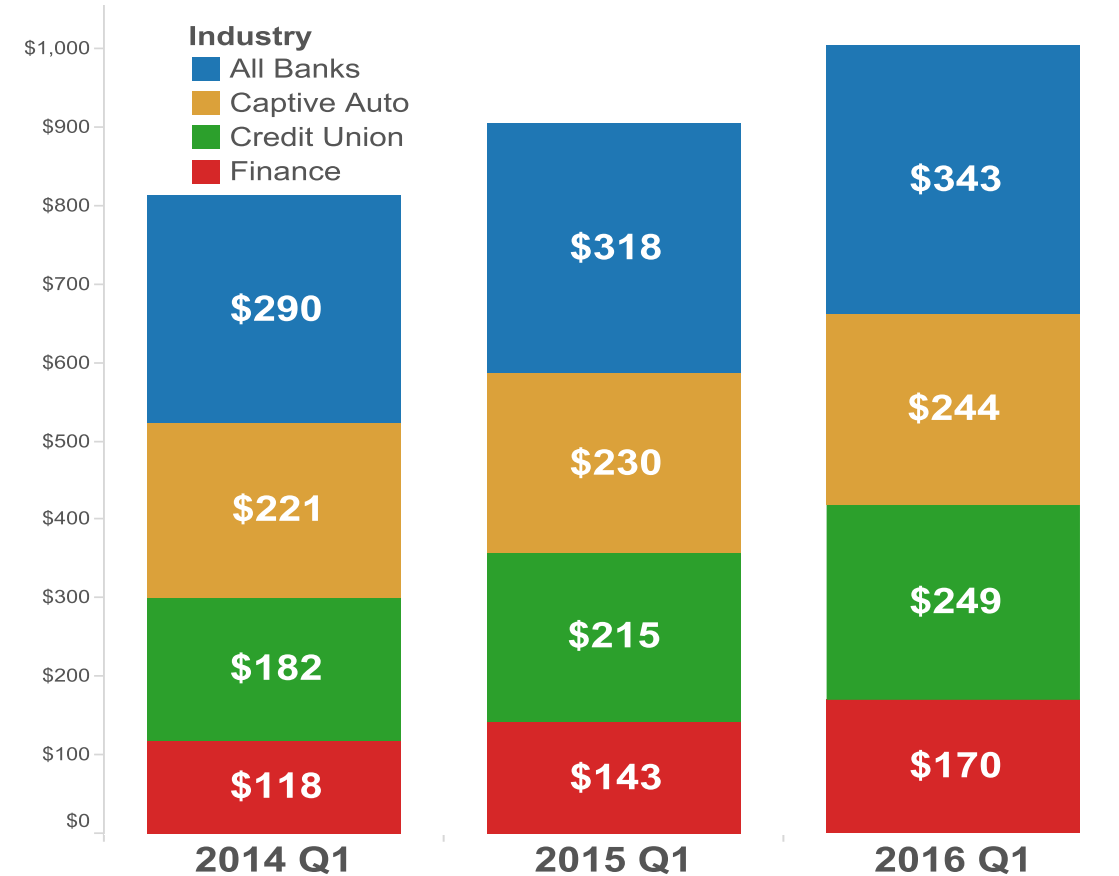
A look at all open automotive balances (loans and leases regardless of origination period)

Outstanding automotive loan balance

Total open loan balance



Loan balance by lender type



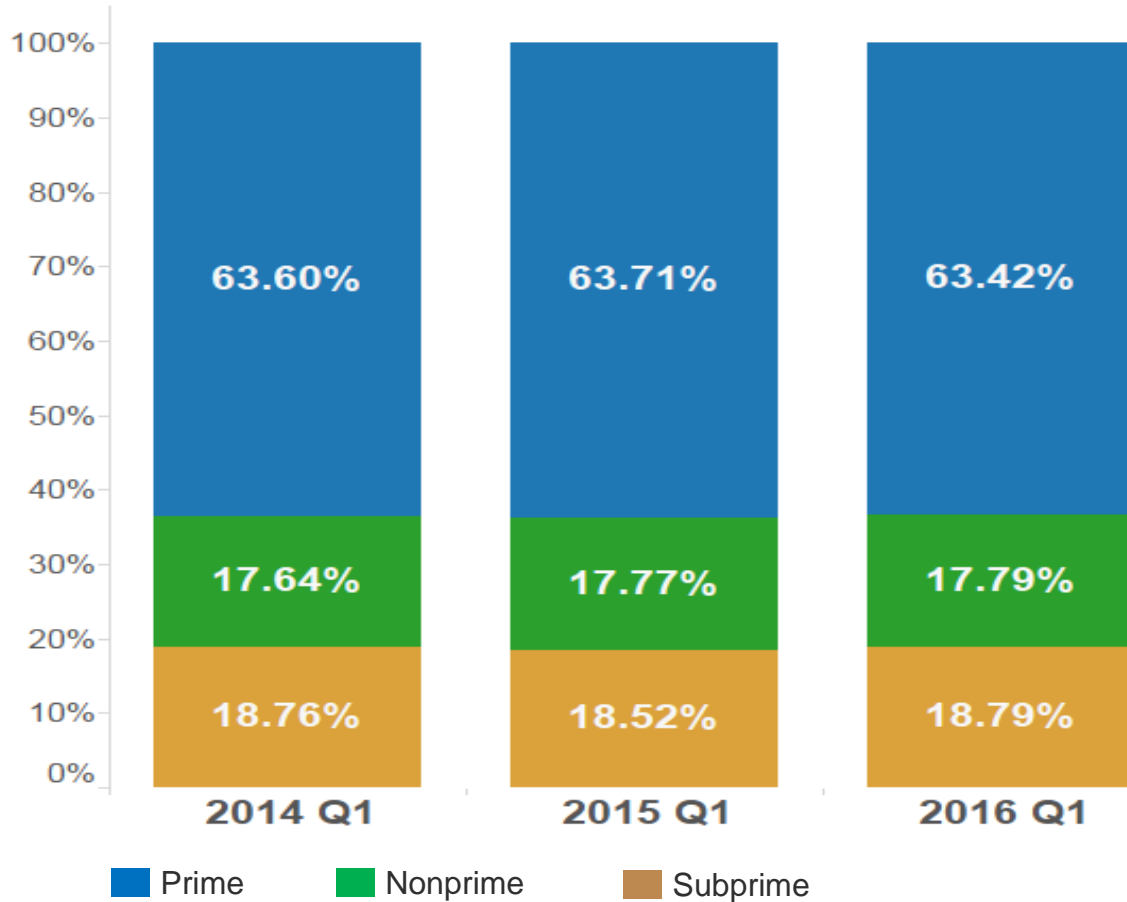


Open automotive loans and leases by risk segment

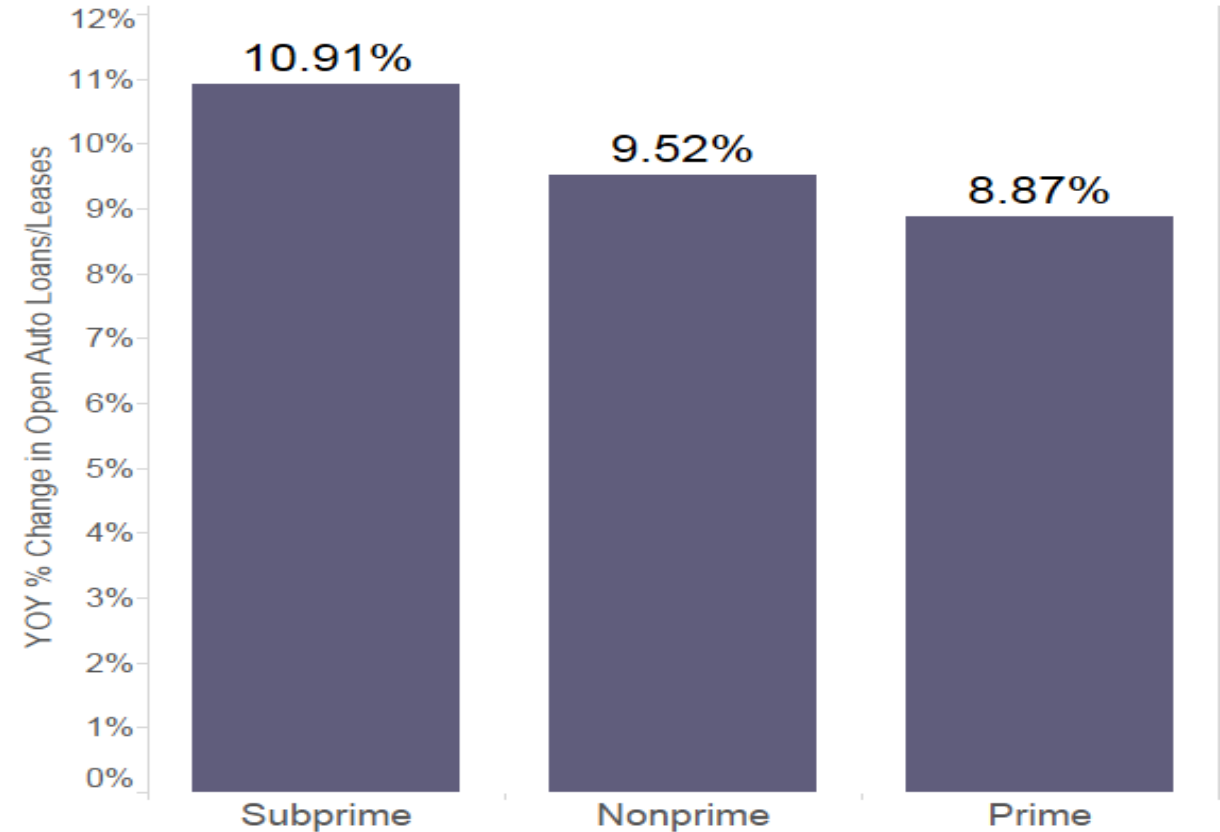
(loans and leases regardless of origination period with score based on the quarter shown)

Risk distribution of open loans and leases

Percentage of Open Loans and Leases by Risk Segment



YOY Change in Open Loan & Lease Volume

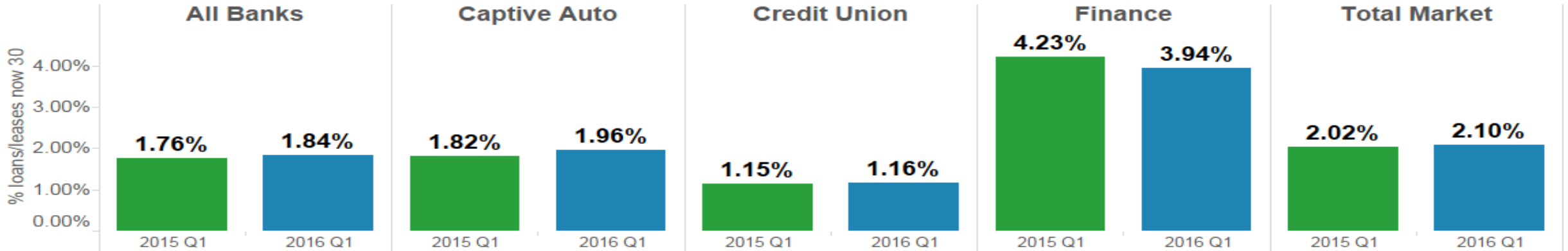




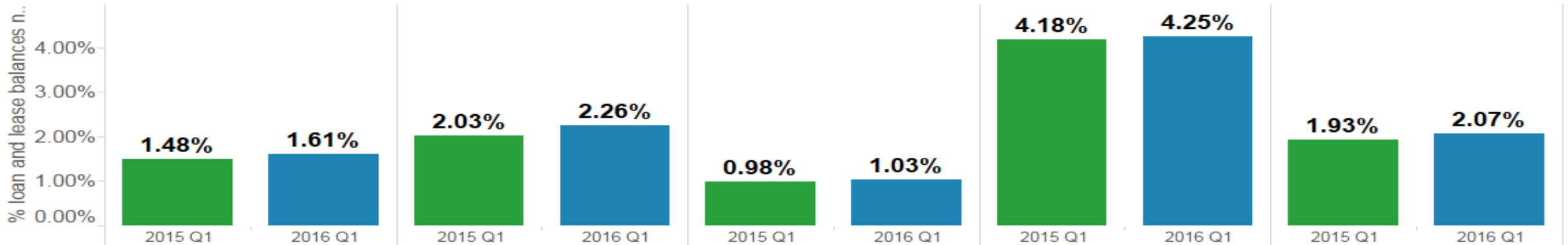
30 day delinquency on all open automotive loans and leases (loans and leases regardless of origination period)

30 day delinquency on loans and leases

Percentage of loans and leases 30 DPD

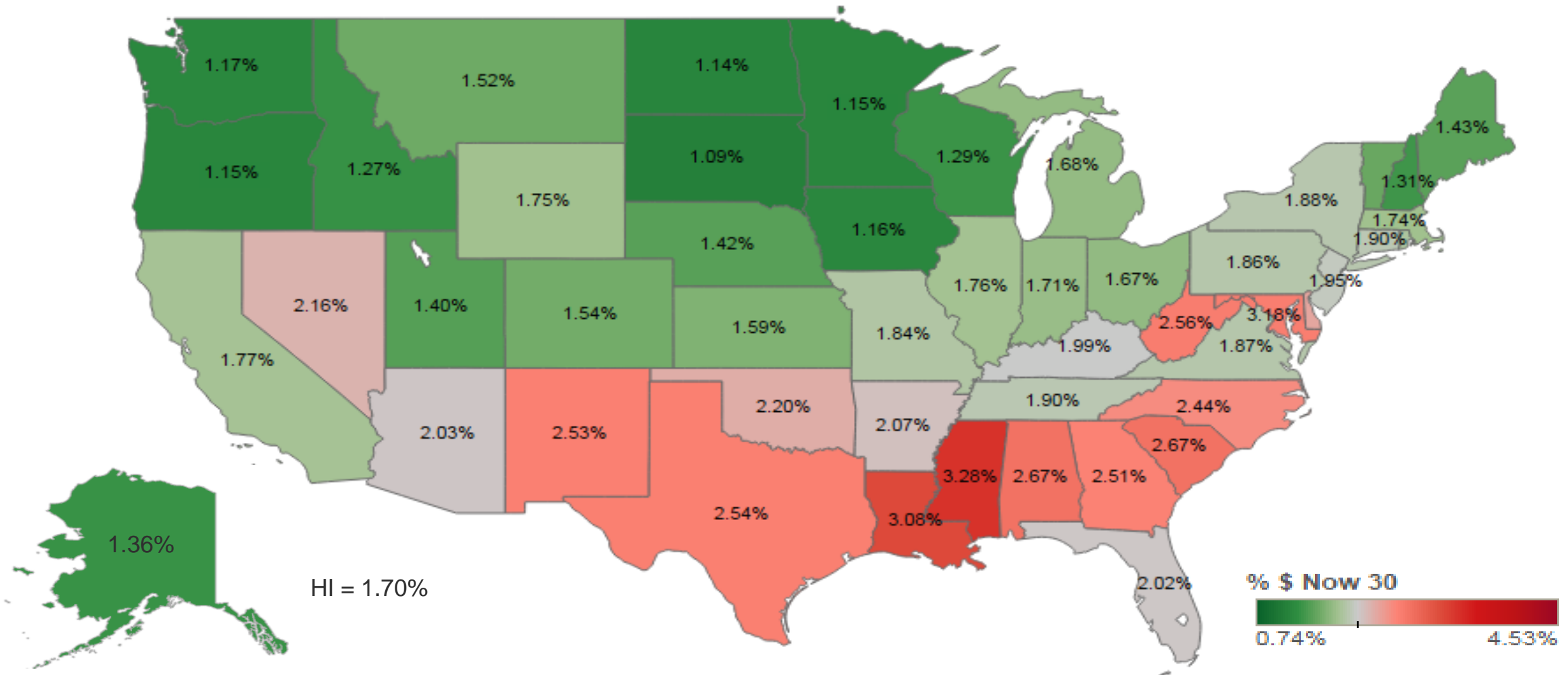


Percentage of loan and lease balances 30 DPD





30-day delinquency balances by state (loans and leases regardless of origination period)

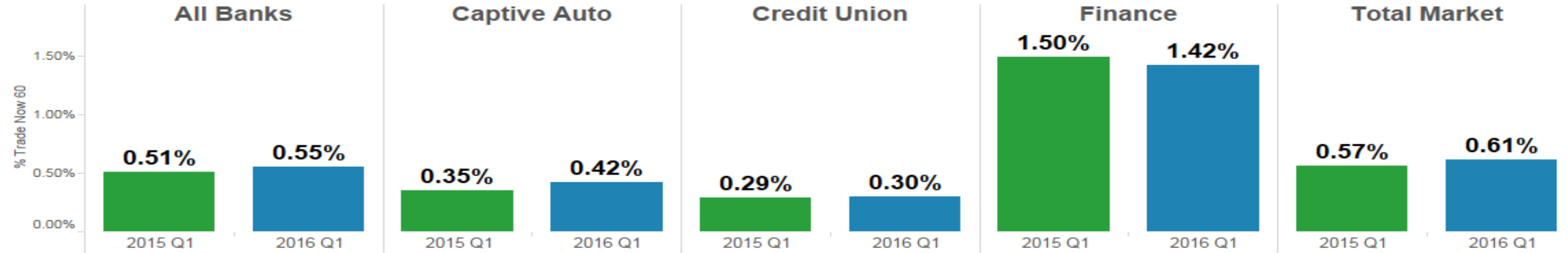




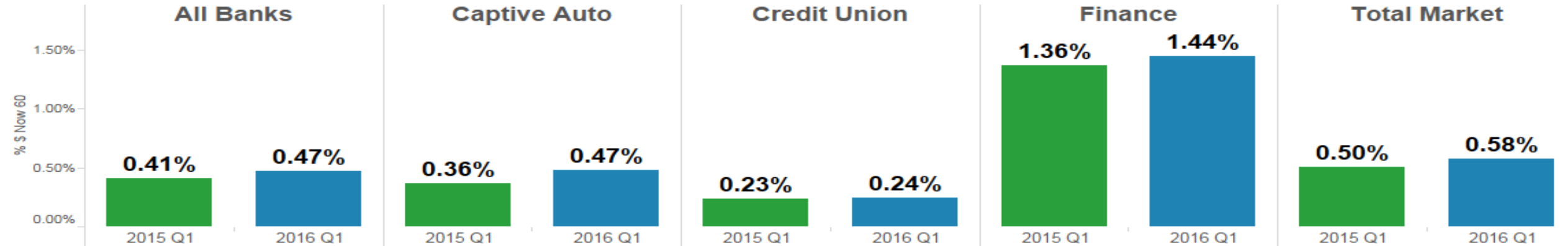
60 day delinquency on all open automotive loans and leases (loans and leases regardless of origination period)

60 day delinquency

Percentage of loans and leases 60 DPD

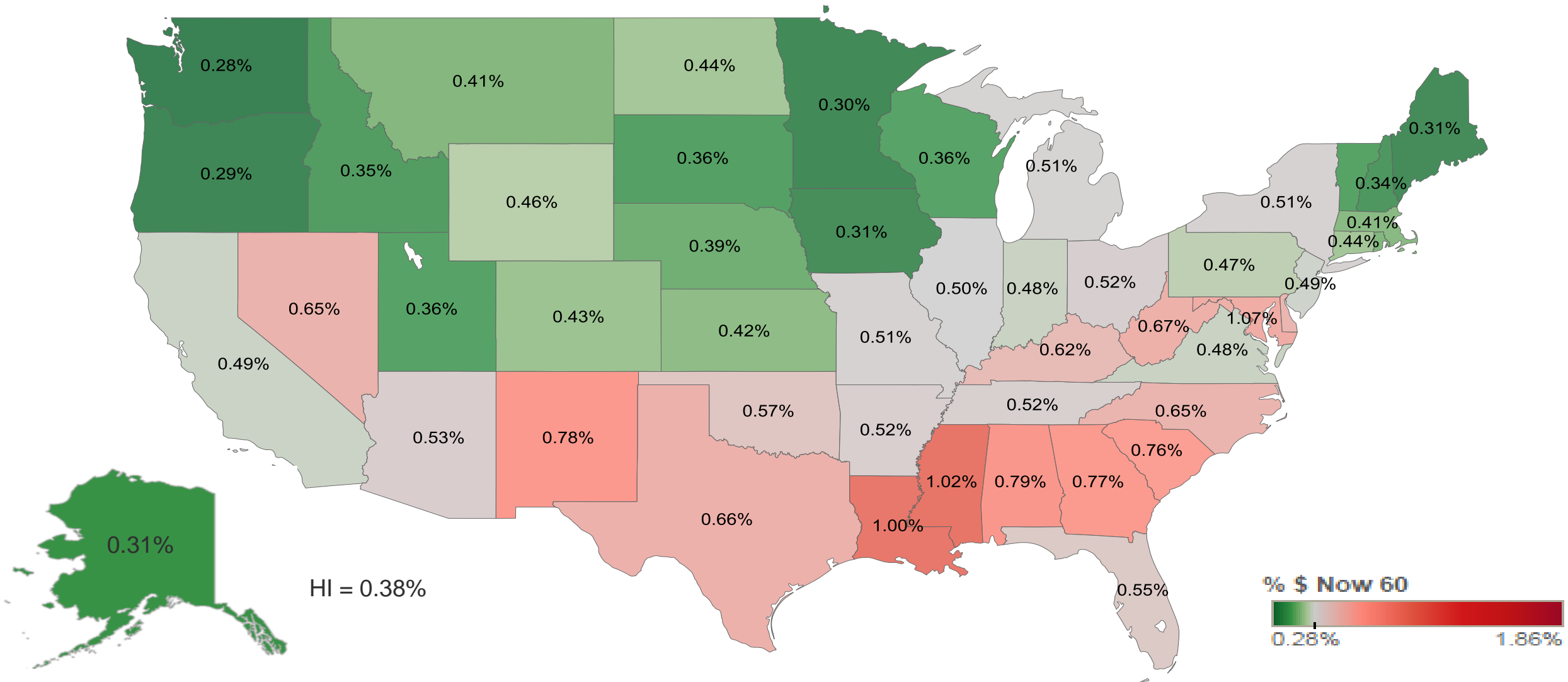


Percentage of loan and lease balances 60 DPD





60-day delinquency balances by state (loans and leases regardless of origination period)



Originations in Q1 2016

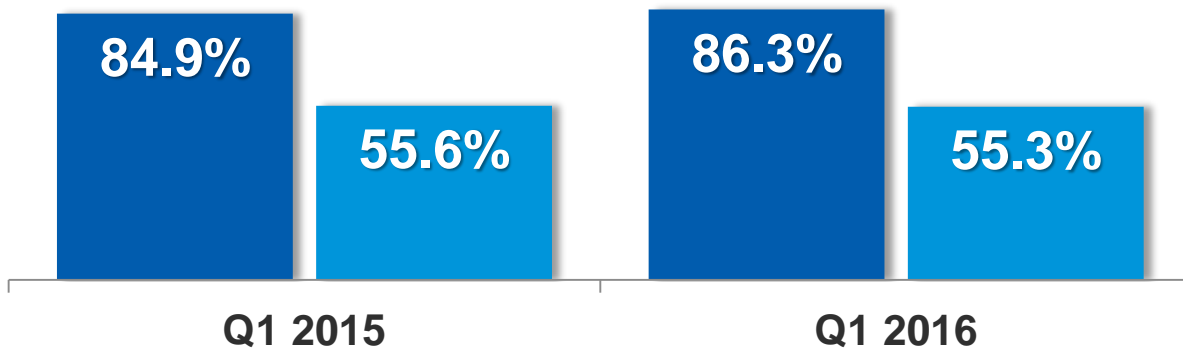
Trends in automotive loans and leases



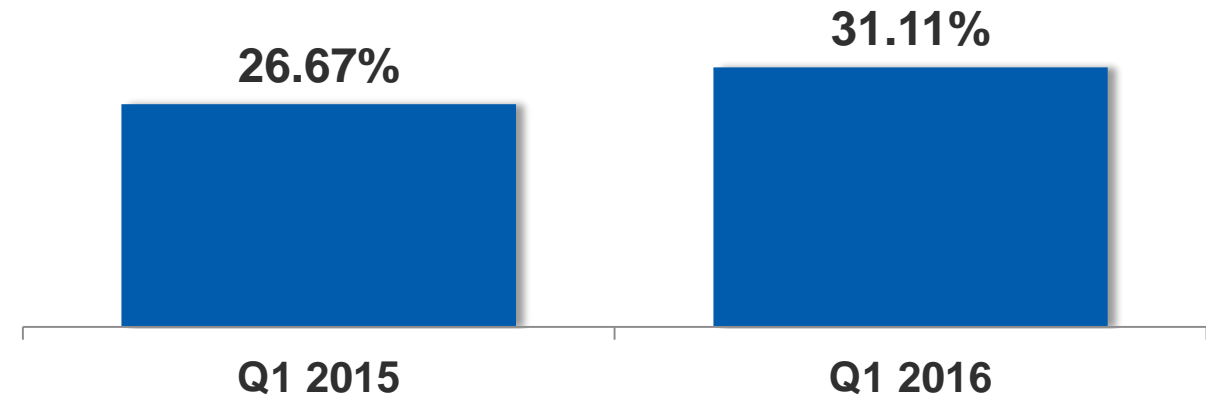
Automotive financing: snapshot of how and what consumers are financing

Percentage of vehicles with financing

■ New ■ Used

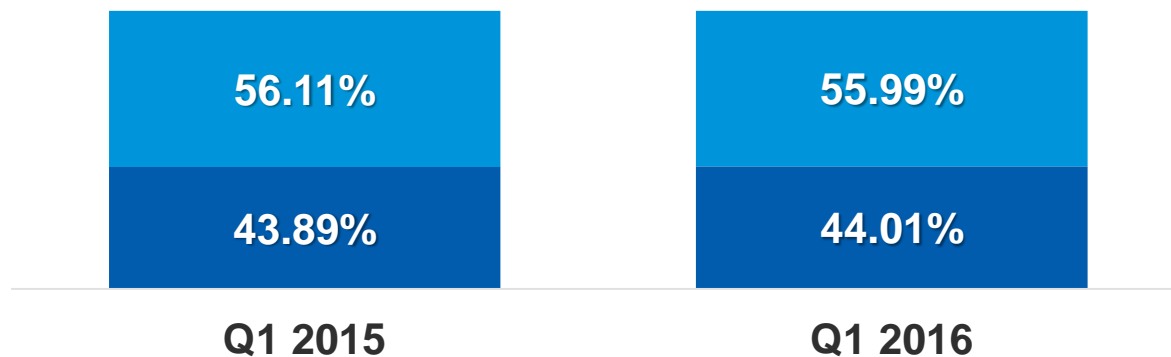


% of all new vehicles that are leased

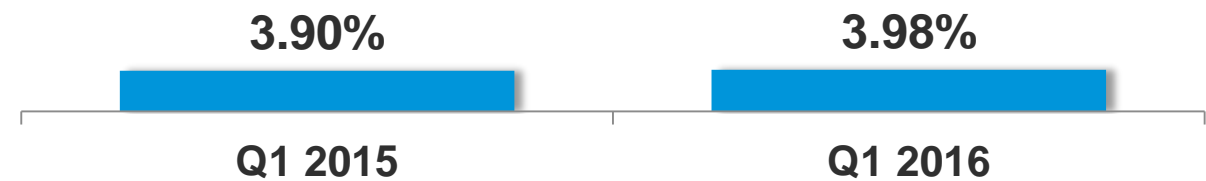


Finance Market: new v used

■ New ■ Used



Used % of lease market

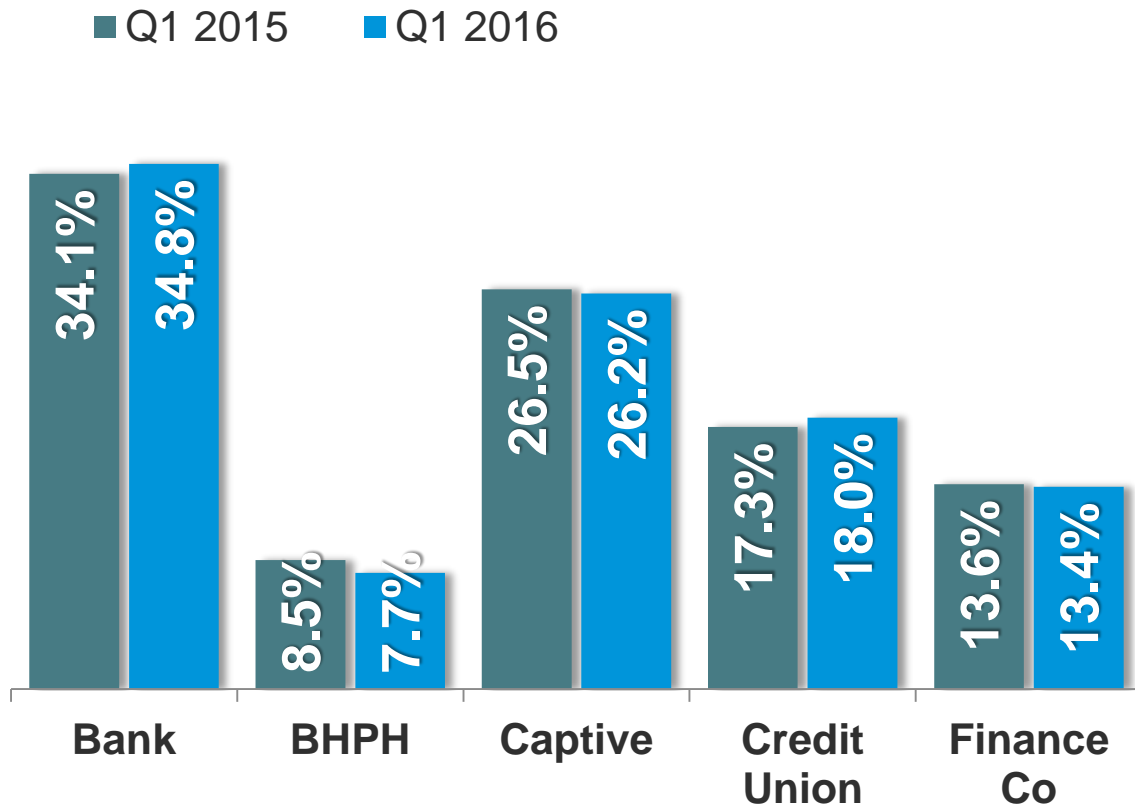




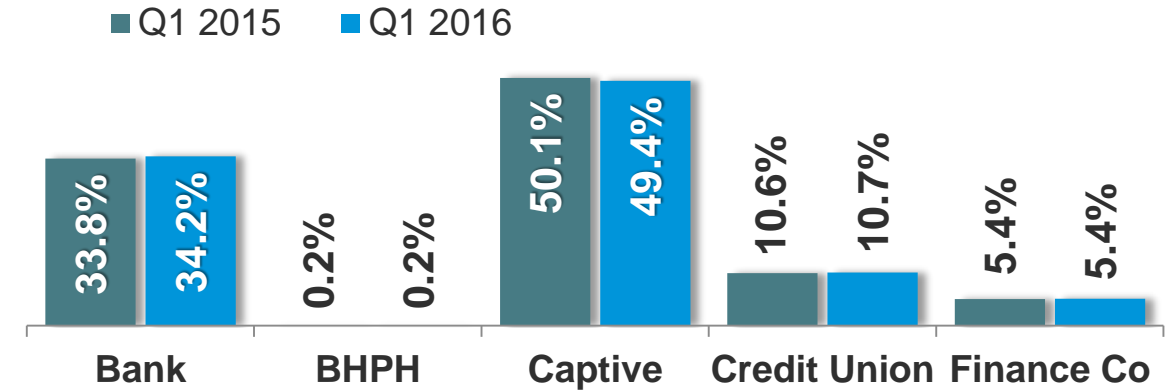
Lender Market share

loan and lease combined

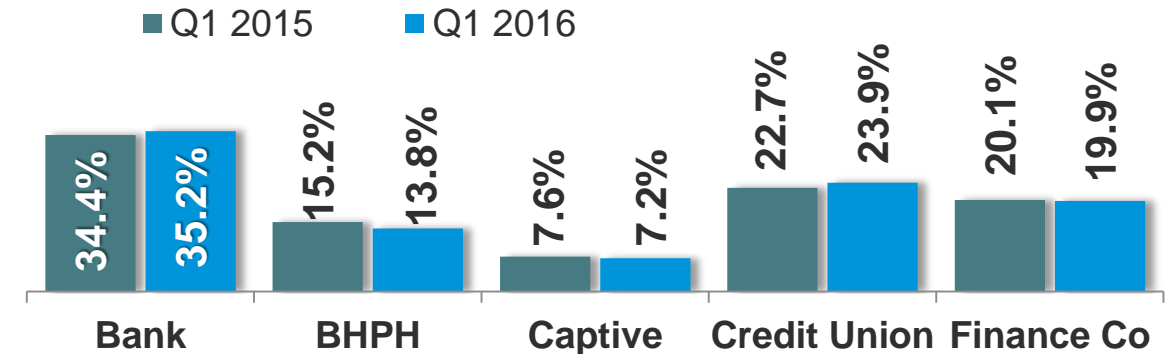
Market Share of Total Financing (new/used & loan/lease)



Market Share of New Financing



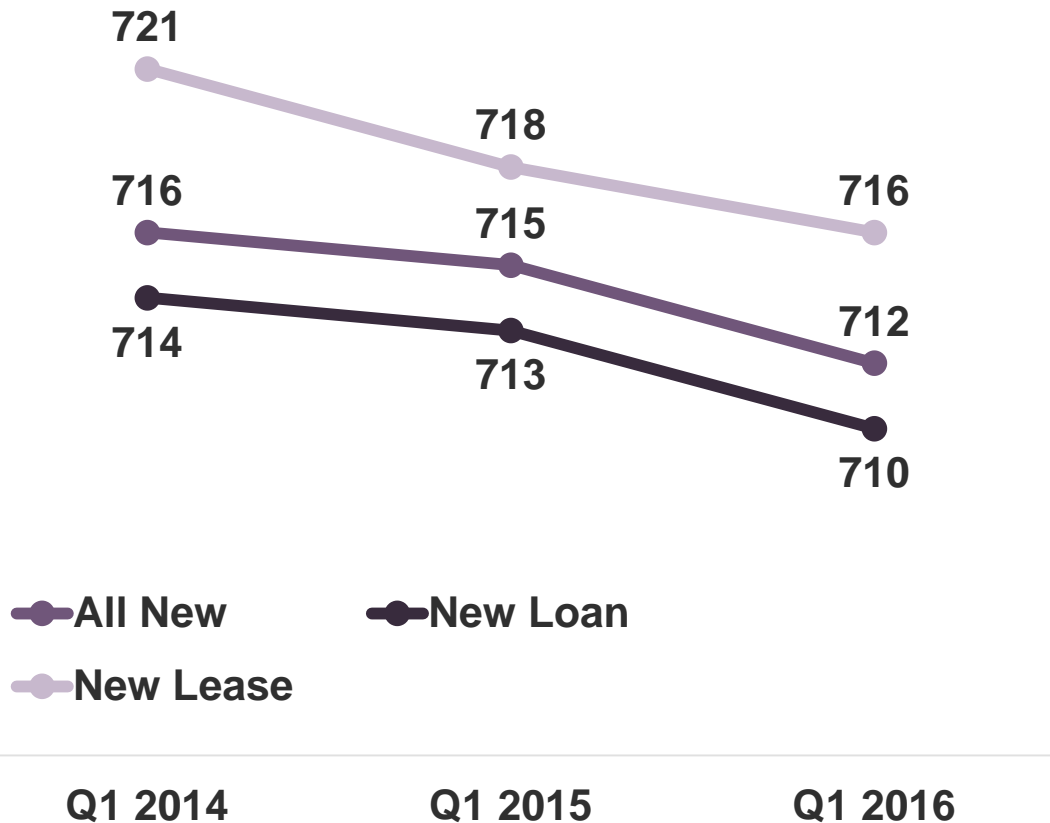
Market Share of Used Financing



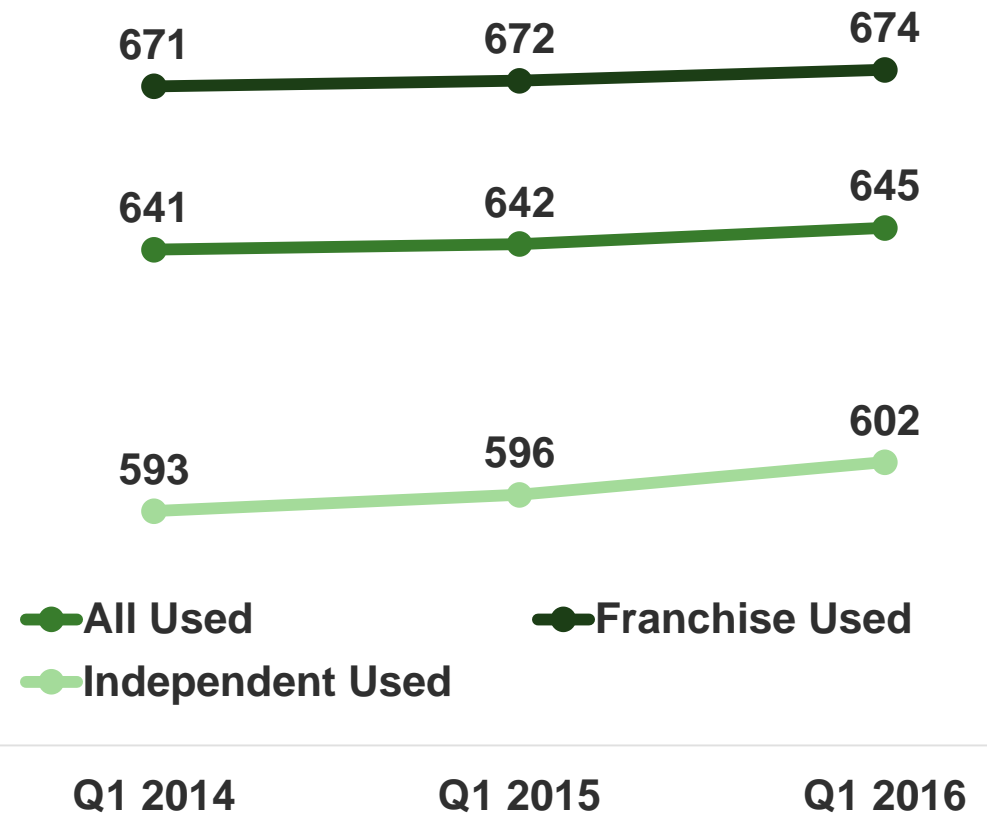


Average consumer loan scores by vehicle type

Average new credit scores



Average used credit scores





Score range refresh

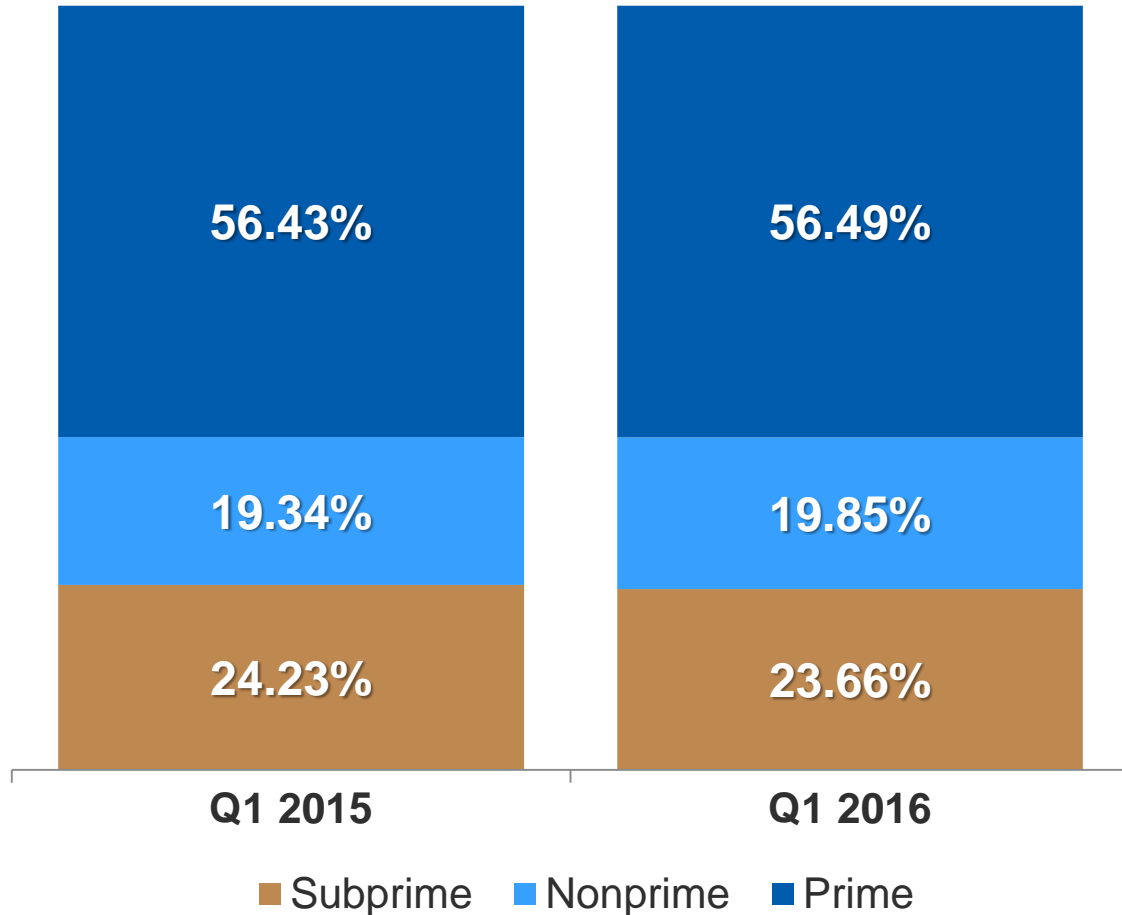
Category	Score Ranges
Prime +	661 – 850
Nonprime	601 – 660
Subprime	300 – 600

Note: ranges above are those used by Experian Automotive for automotive finance market analysis and trending purposes. Other industries and lenders may use other ranges based on unique scores, portfolio and industry trends.

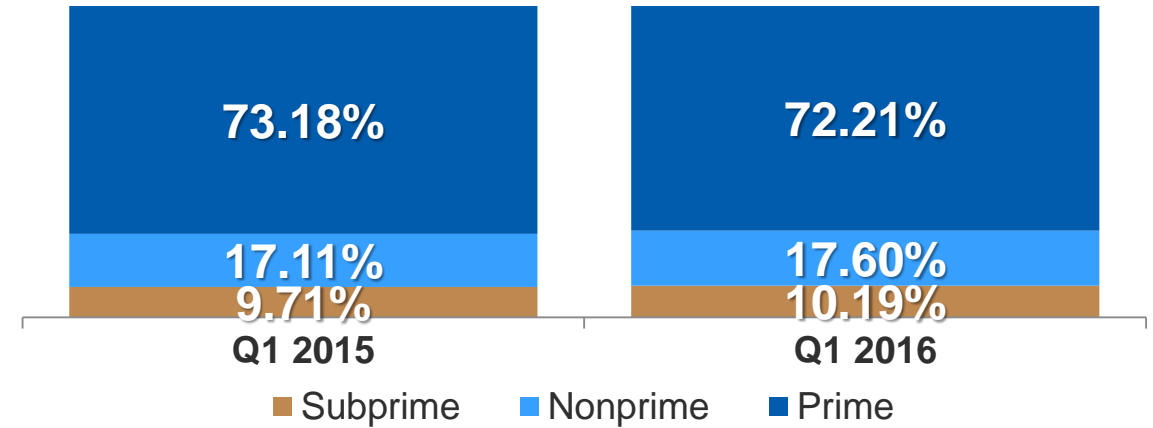


Risk distribution of total finance market loan and lease combined

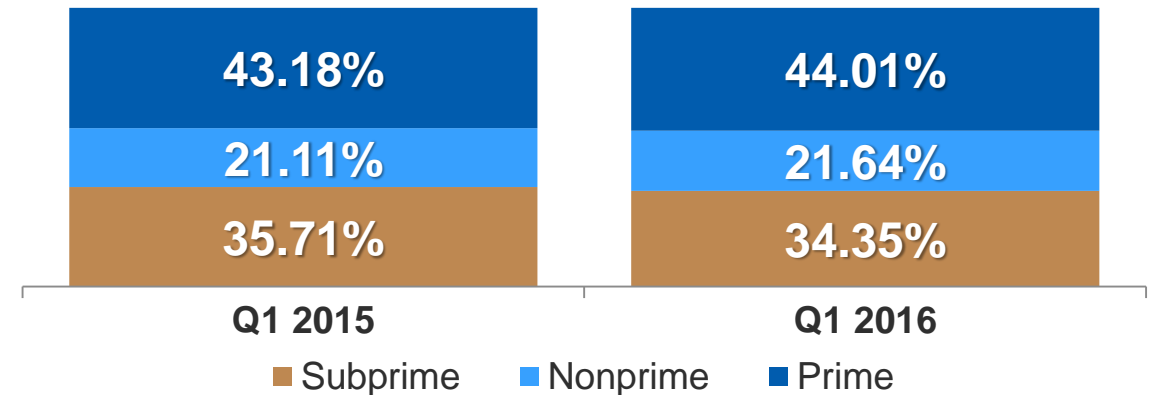
Total (new & used) risk distribution



New risk distribution



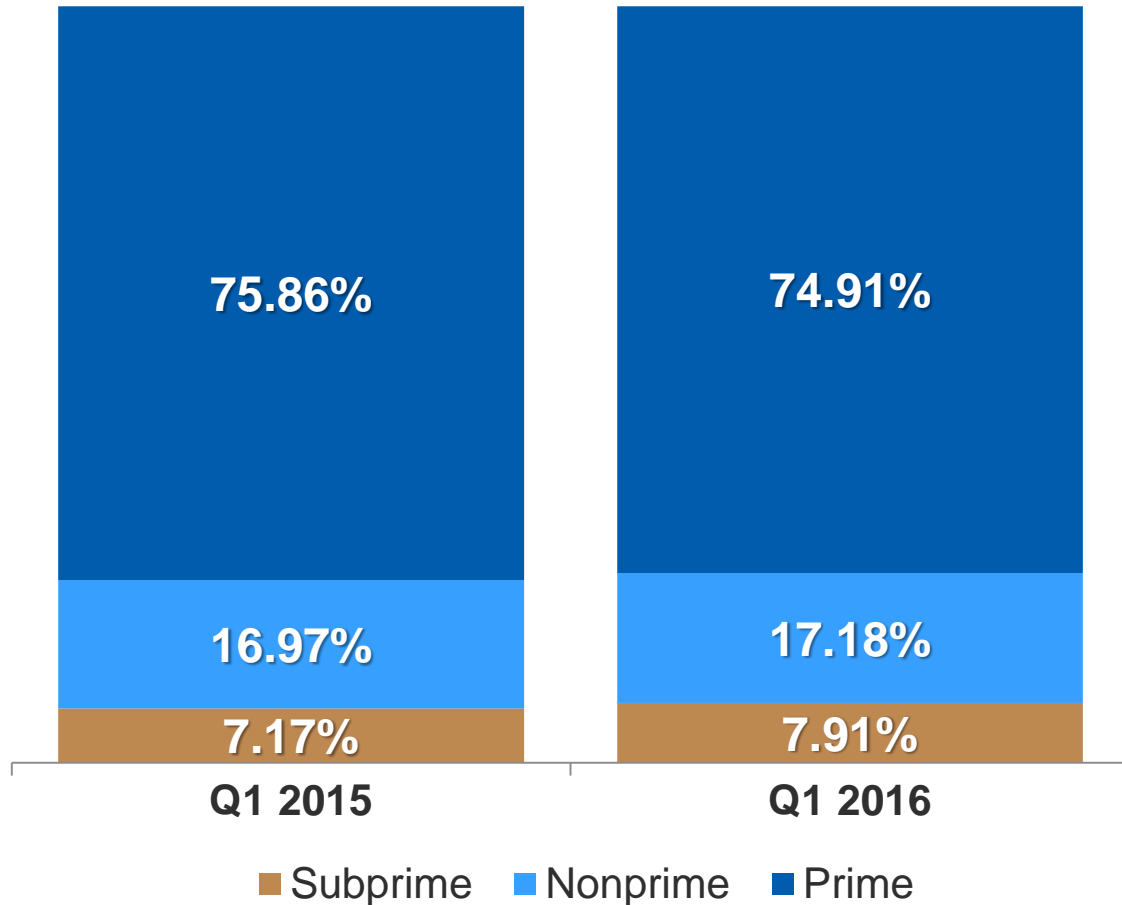
Used risk distribution



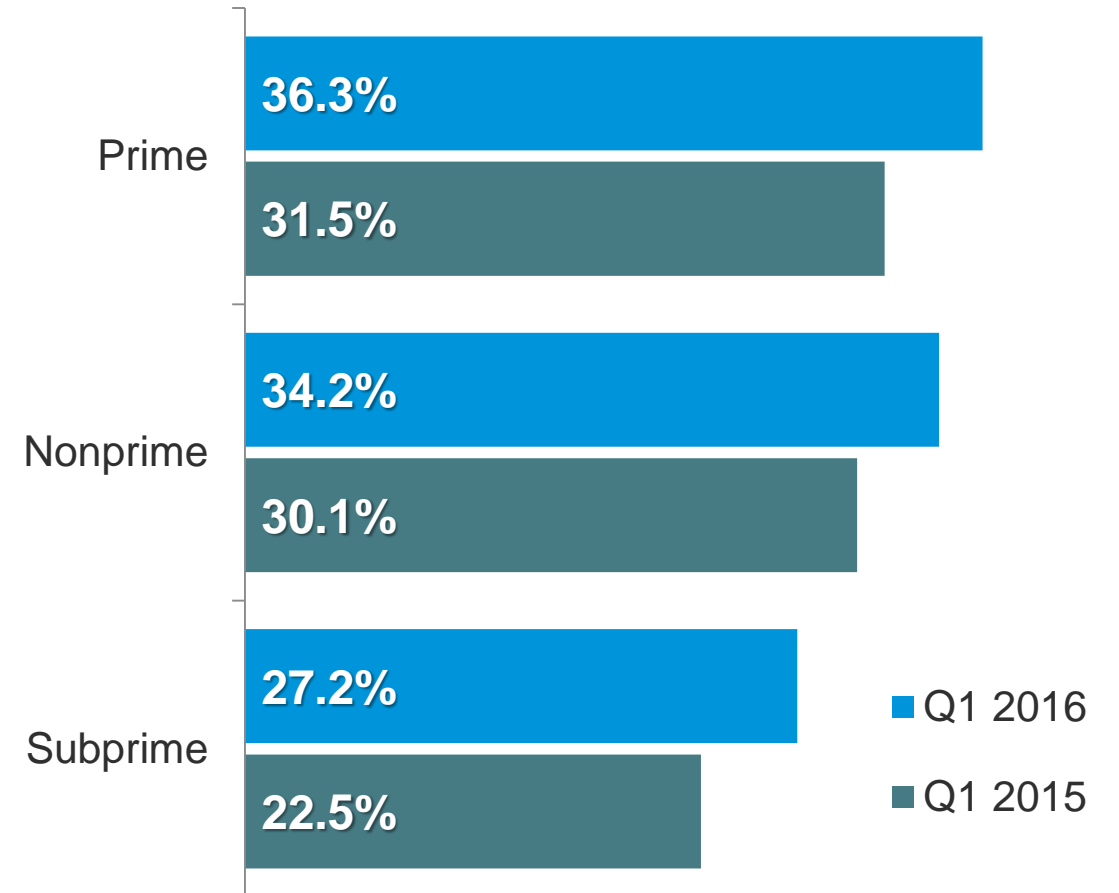


Risk distribution of new leasing loans not included

New lease risk distribution



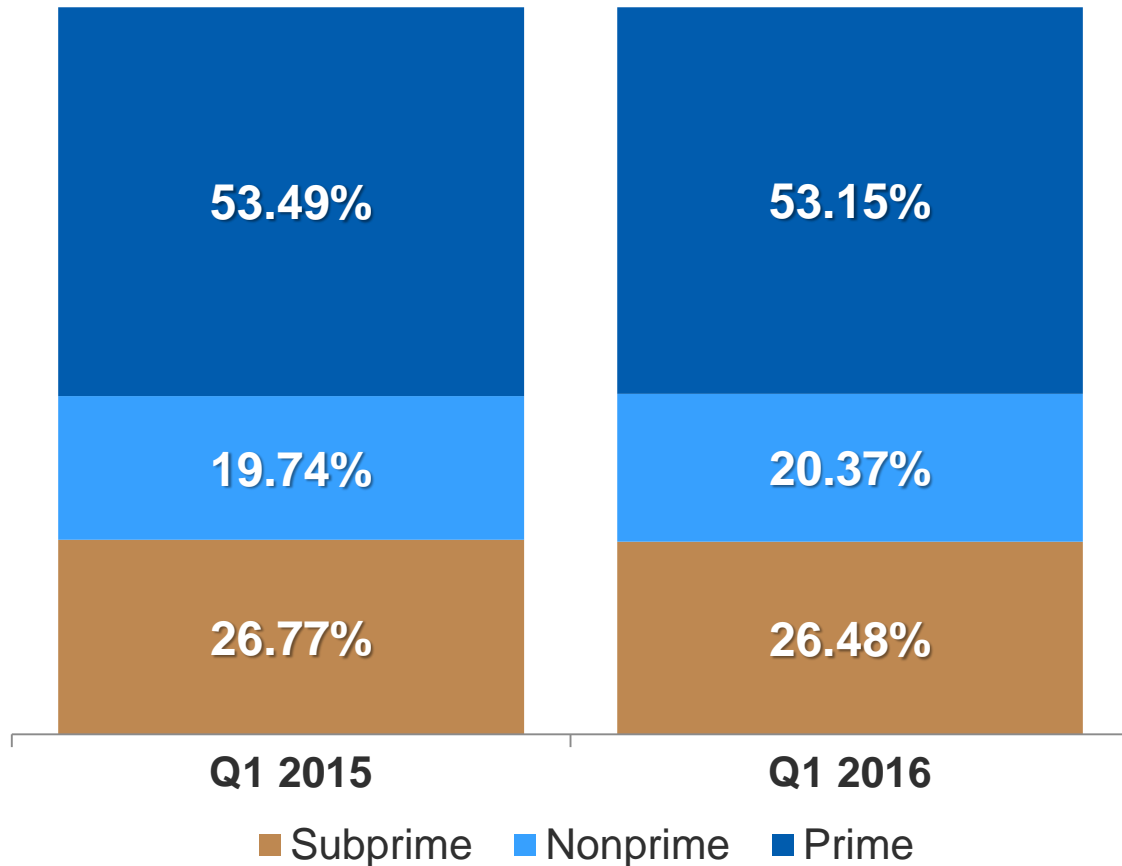
% of new borrowers choosing leasing



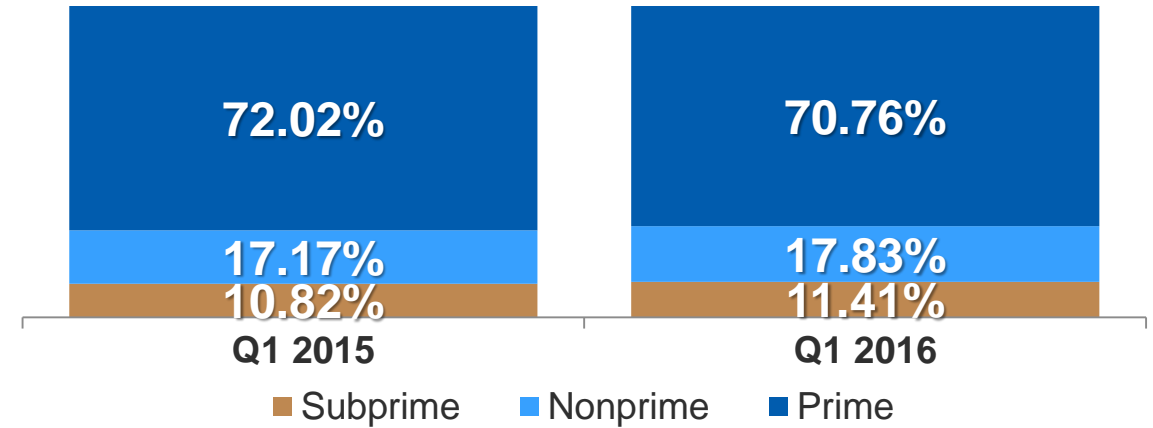


Risk distribution of the loan market lease is not included

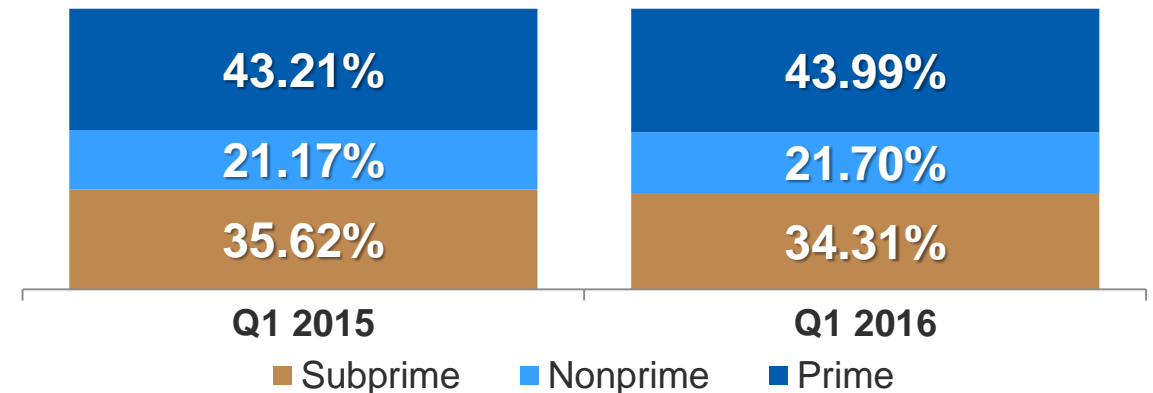
Total (new & used) loan risk distribution



New loan risk distribution



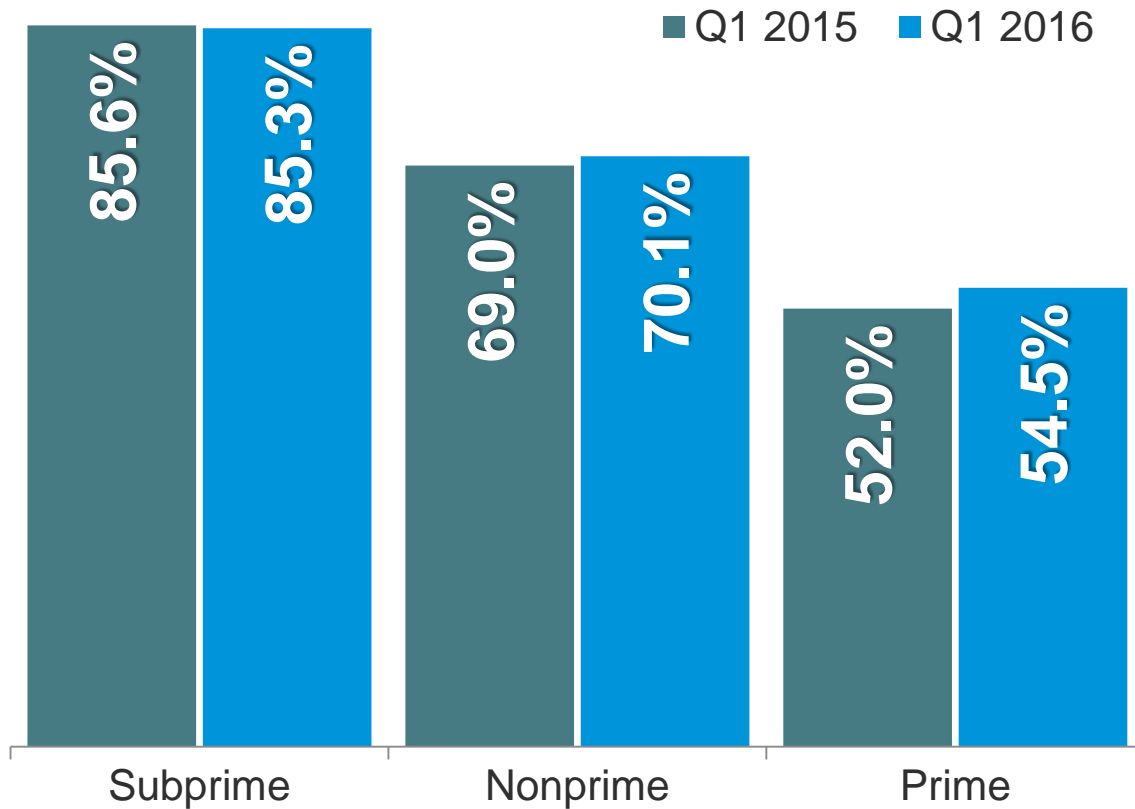
Used loan risk distribution



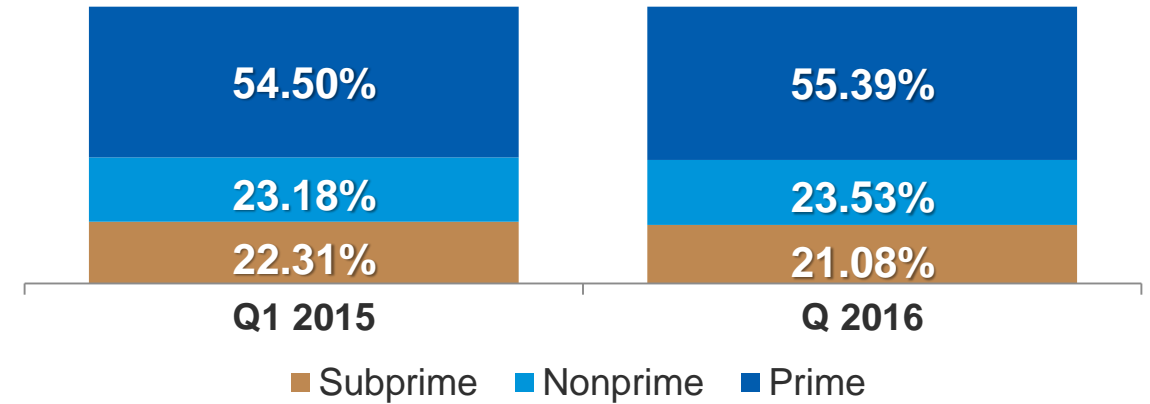


Shifts within the used loan market lease is not included

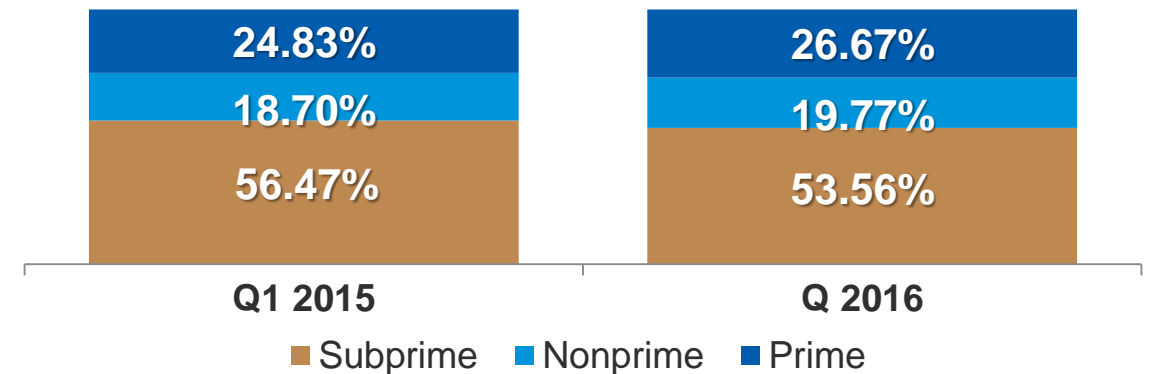
Percentage of consumers by risk tier choosing used



Used Franchise loan risk distribution



Used Independent loan risk distribution

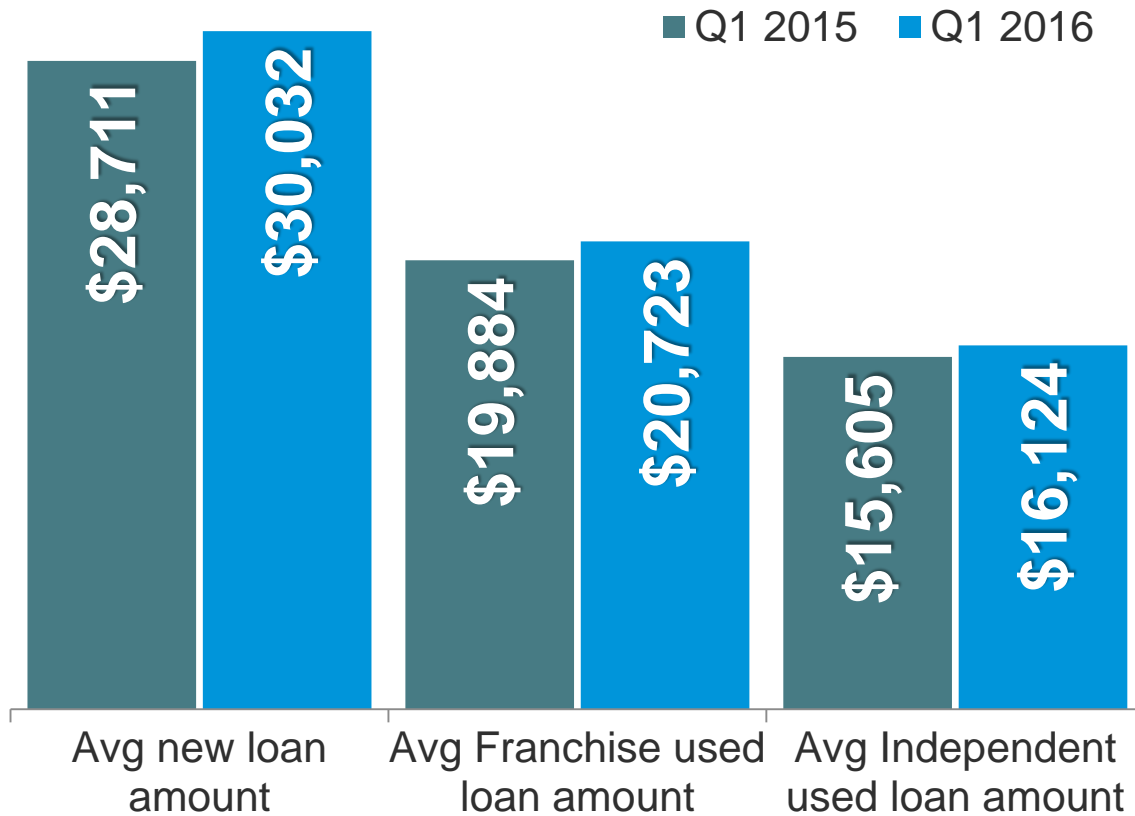




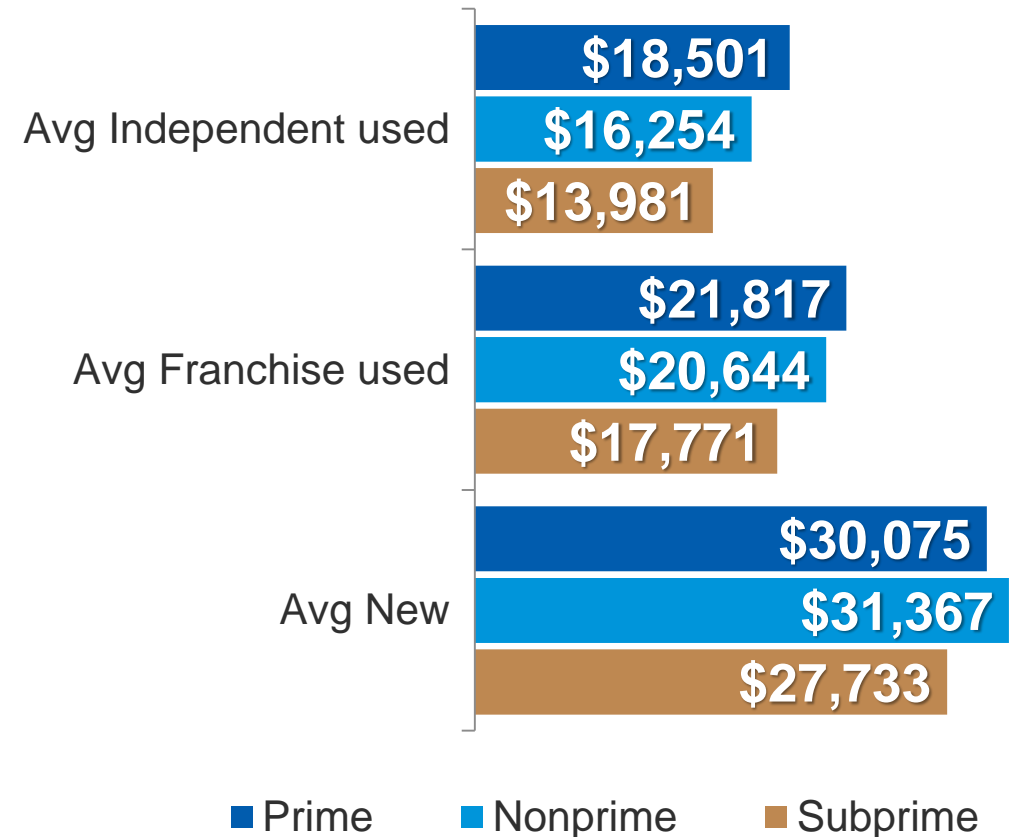
Average loan amounts

lease is not included

Average loan amount



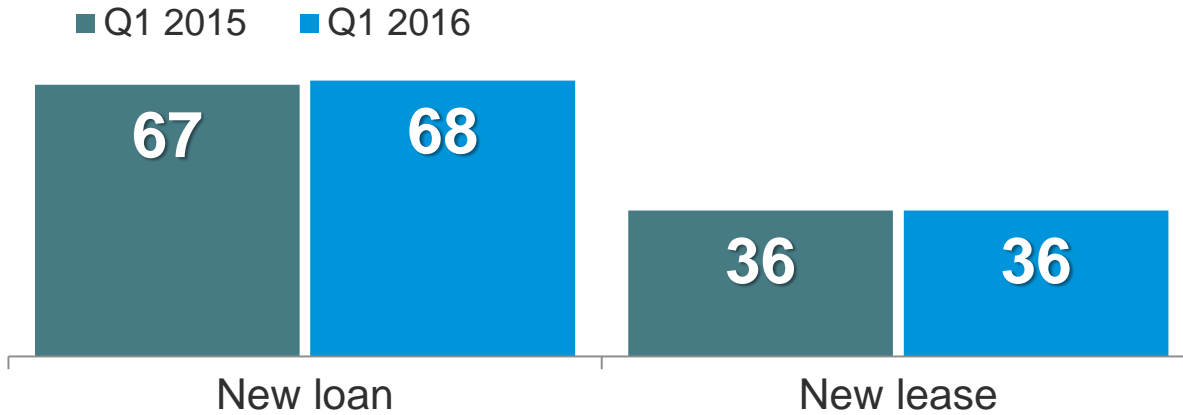
Average loan amount by risk tier for Q1 2016



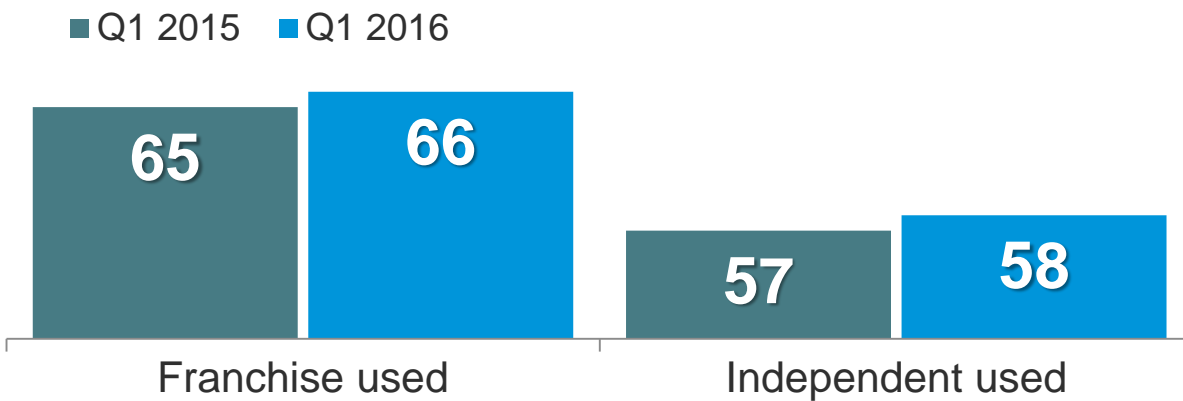


Average term on loans and leases used transactions do not include leasing

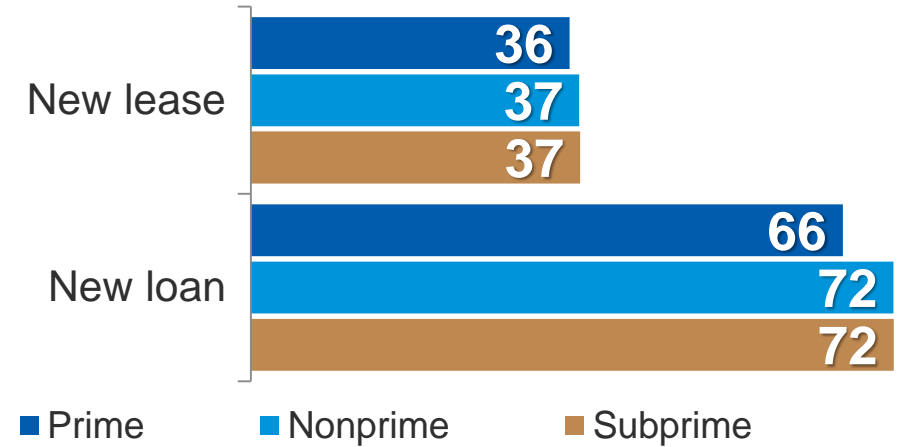
Average new term



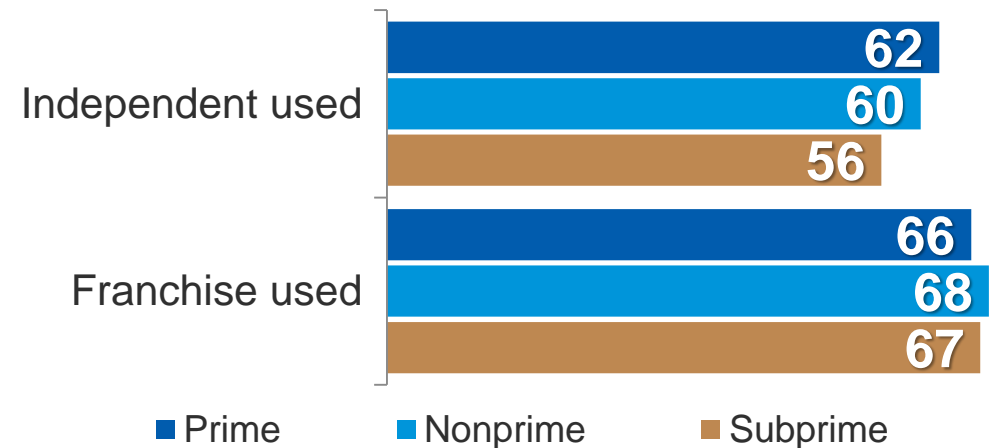
Average used term



Avg new term by risk tier for Q1 2016



Avg used term by risk tier for Q1 2016

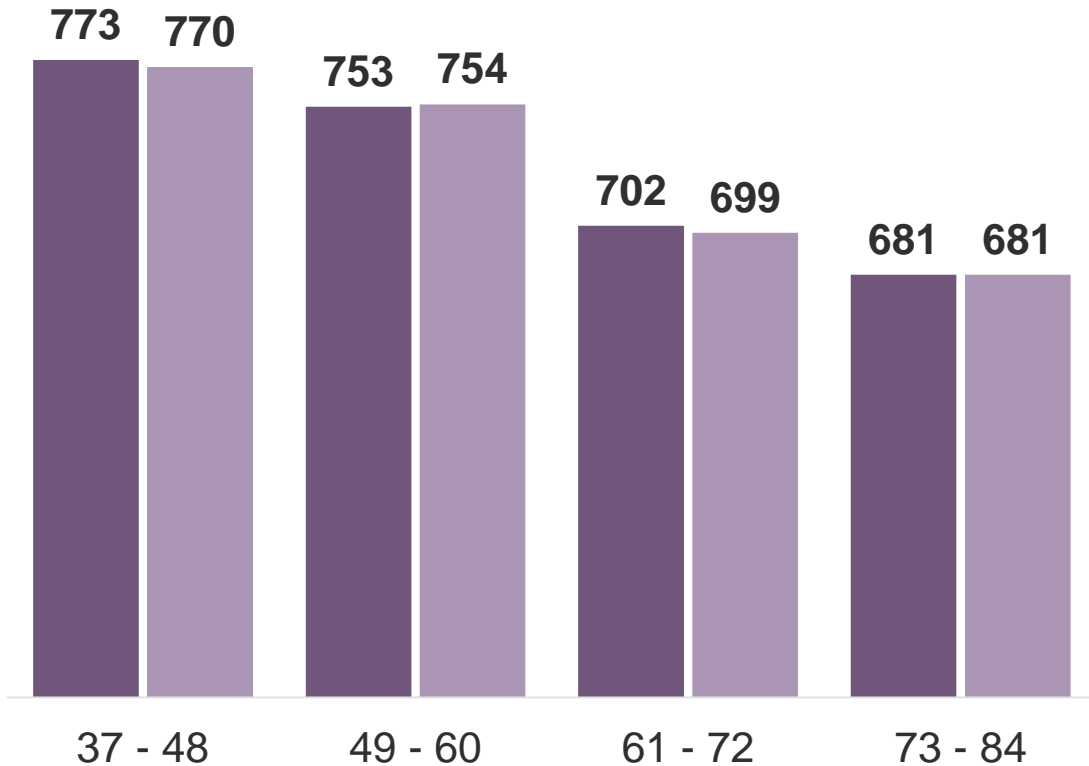




Average score by loan term lease is not included

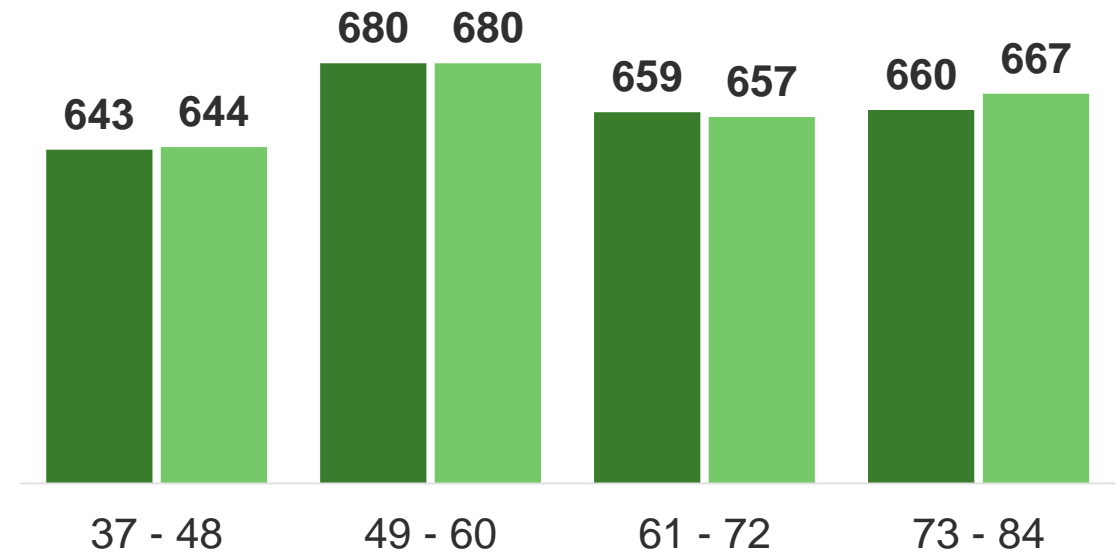
Average new score by loan term

■ Q1 2015 ■ Q1 2016



Average used score by loan term

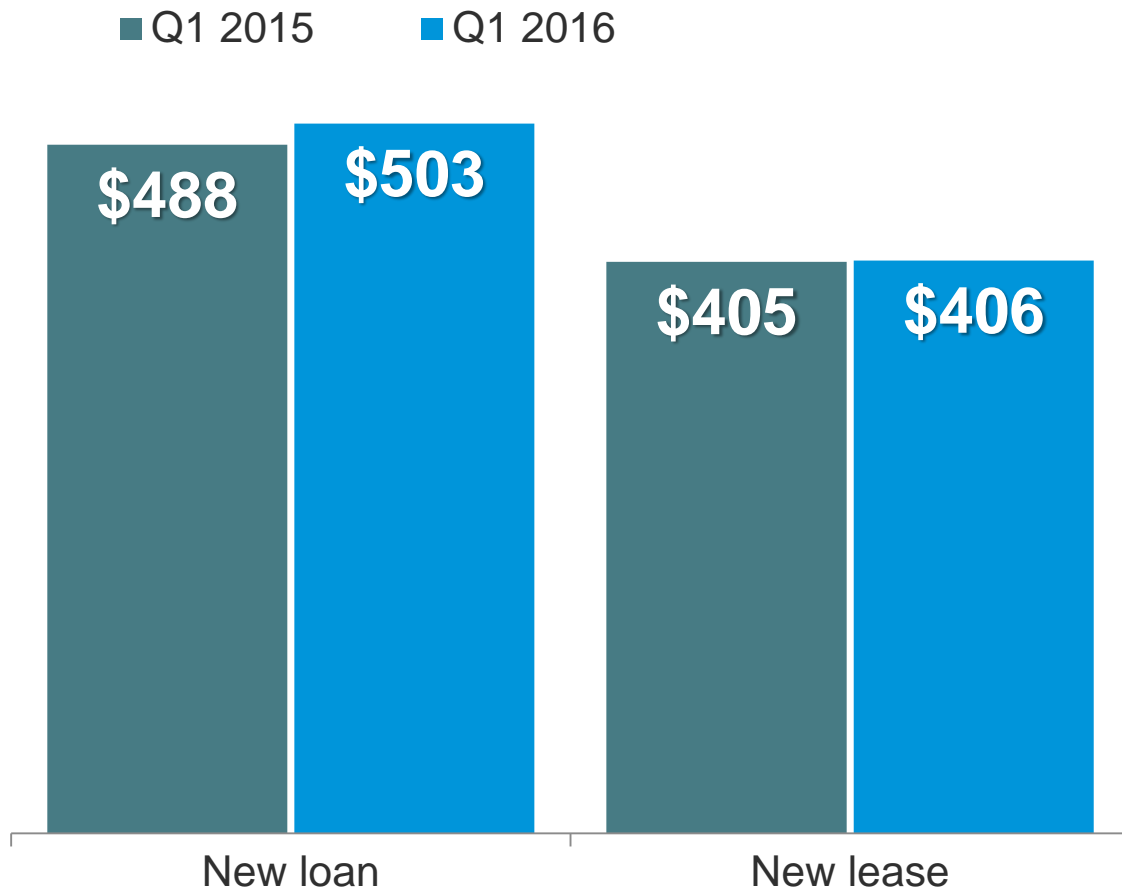
■ Q1 2015 ■ Q1 2016



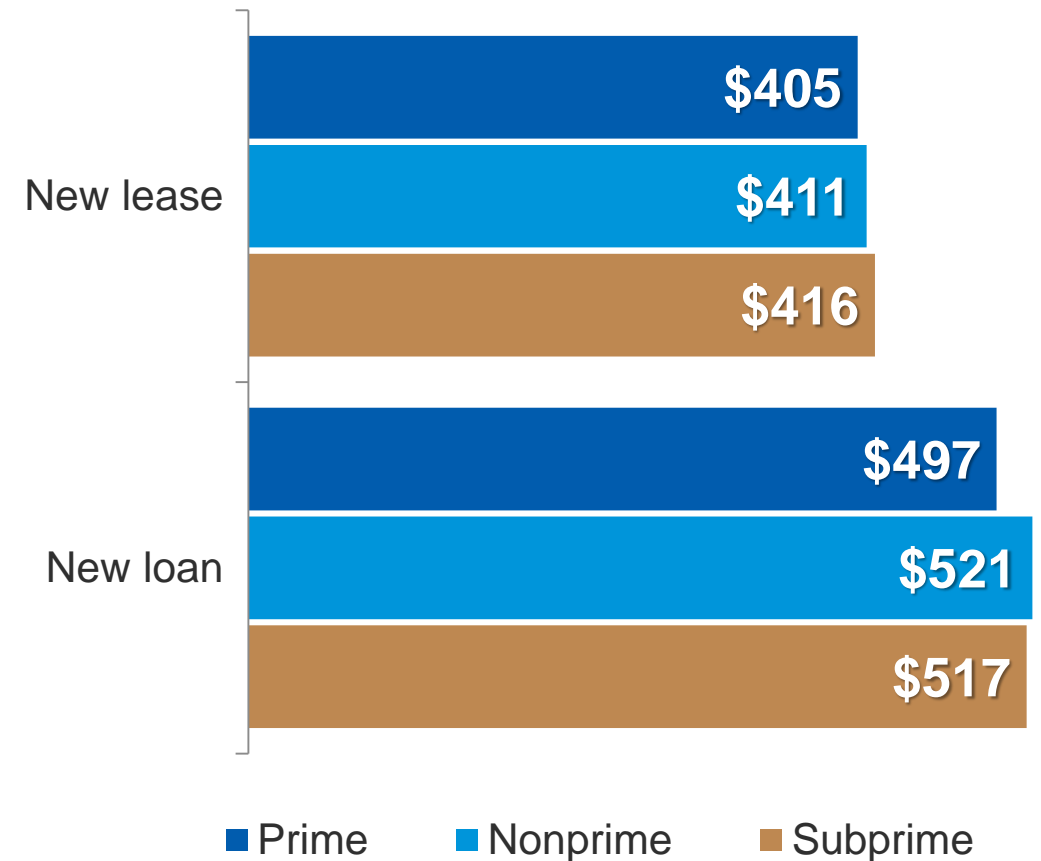


For new vehicles payments rise and leasing becomes more attractive

Average new payment



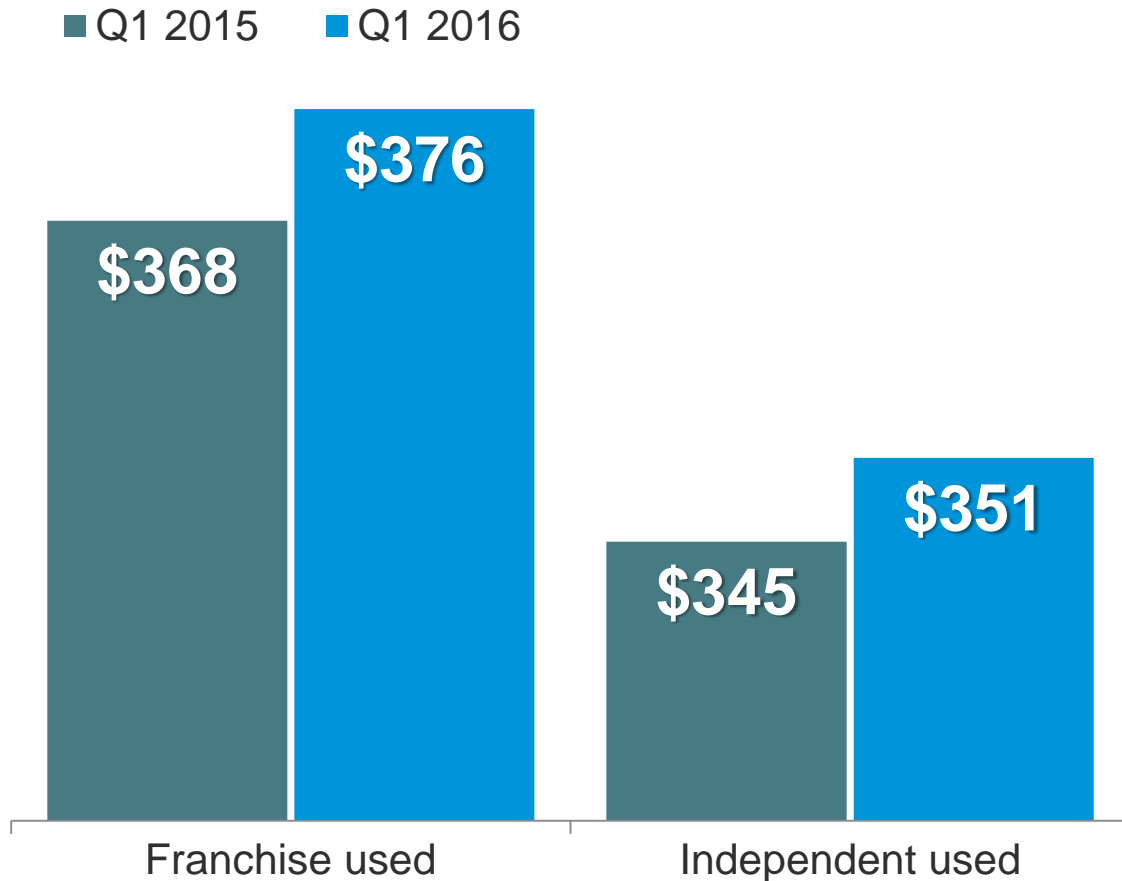
Average new payment by risk tier for Q1 2016



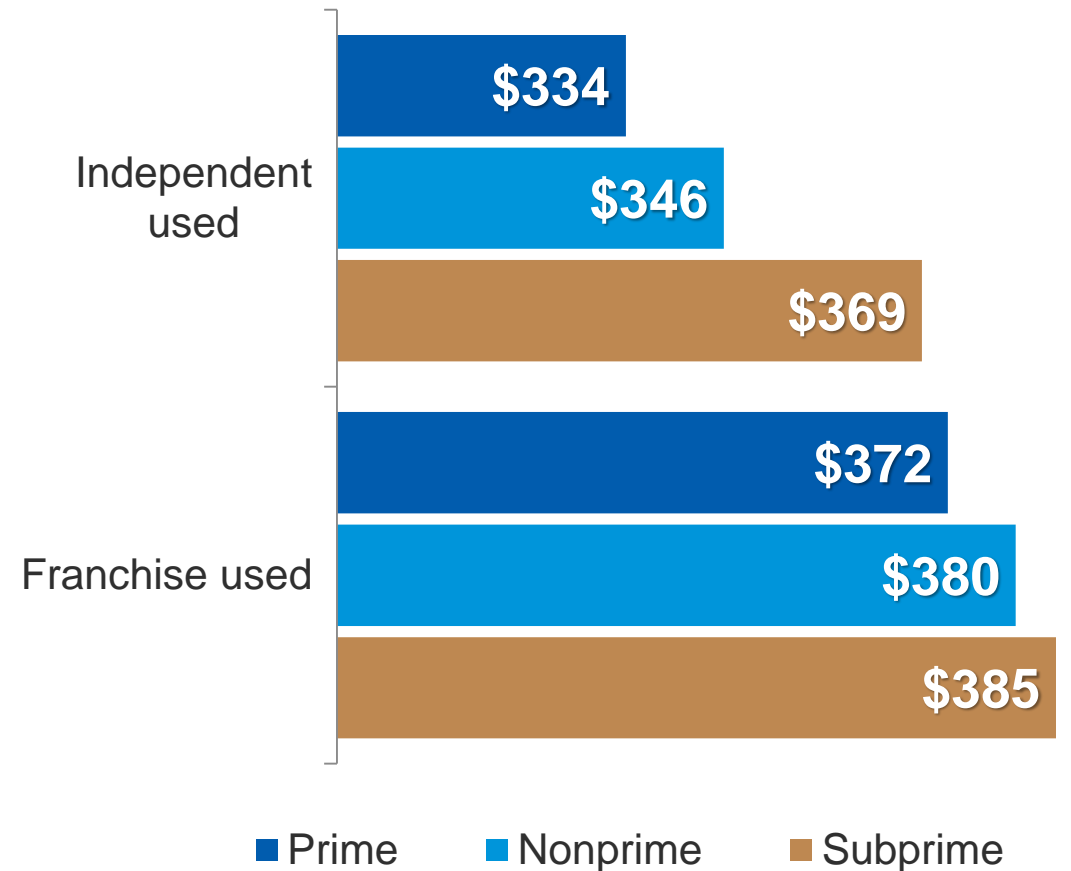


Average used payments lease not included

Average used payment by Dealer



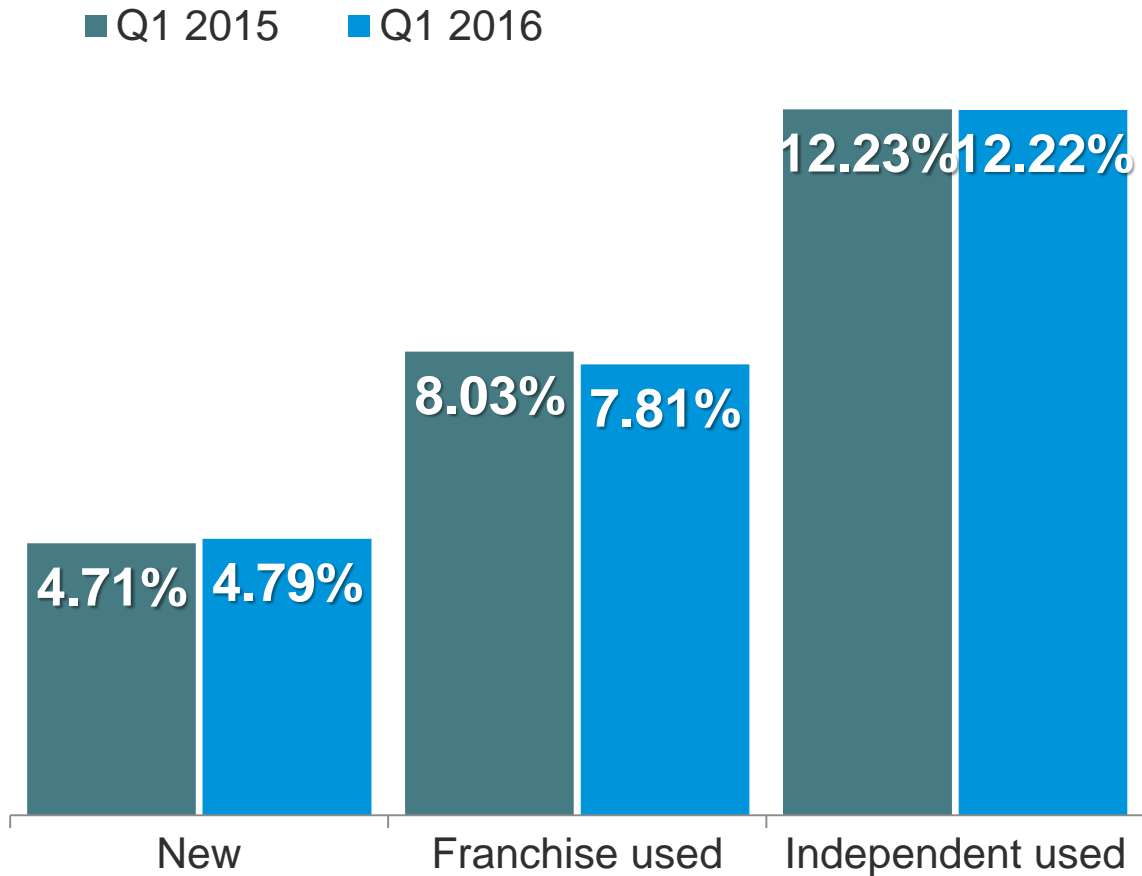
Average used payment by risk tier for Q1 2016



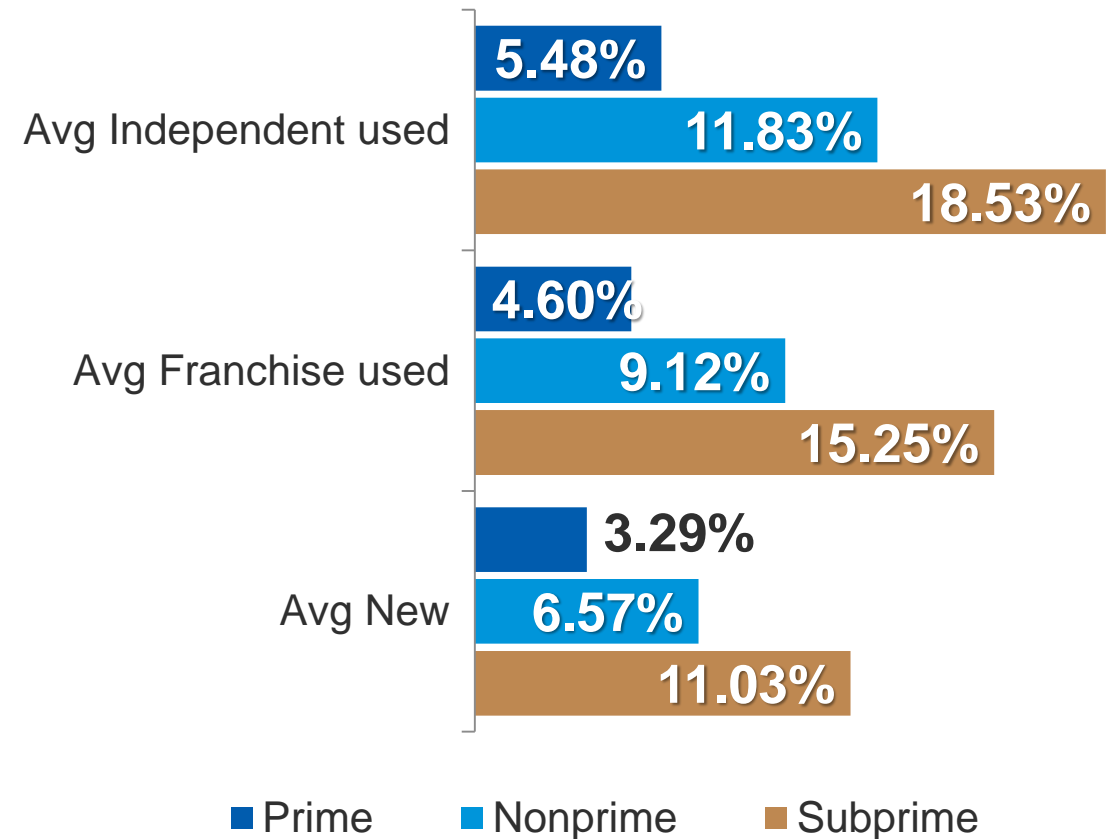


Average loan rates are showing some increases but remain historically low

Average loan rates



Average loan rate by risk tier for Q1 2016





Summary

- Portfolio balances reach record levels as loan amounts grow to all-time highs
- Increases in both 30 & 60-day delinquency rates rise as the percentage of loans in the subprime portion of open portfolios grow
- Leasing surpasses 30% of all new consumer vehicle sales as consumers across all risk tiers increasingly choose to lease
- Prime consumers also increasing choosing used vehicles resulting in score increases, greater percentages of used financing in the prime risk tier and lower average used rates
- Loan amounts and payments reach all-time highs for new loans while terms continue to extend





Insights about the market, the vehicles and the people who buy them

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