



AUTOMOTIVE INDUSTRY INSIGHTS

# Finance Market Report

## Q4 2020

Presented by

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# Session overview

- Overall origination trends
- Origination trends on New loans
- Origination trends on Used financing
- Portfolio balances & delinquency

Category	Score Range
Super prime	781 – 850
Prime	661 – 780
Nonprime	601 – 660
Subprime	501 – 600
Deep subprime	300 – 500



# Q4 2020 Originations

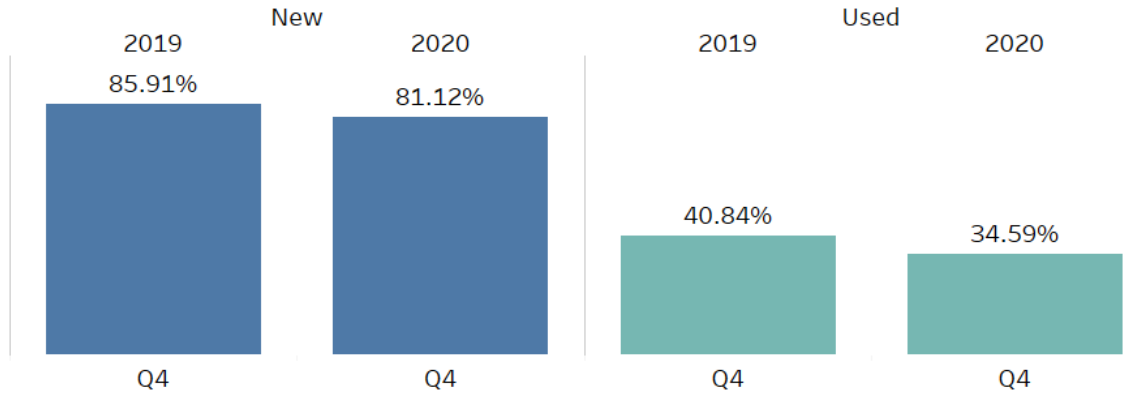
Trends in automotive loan and  
lease originations



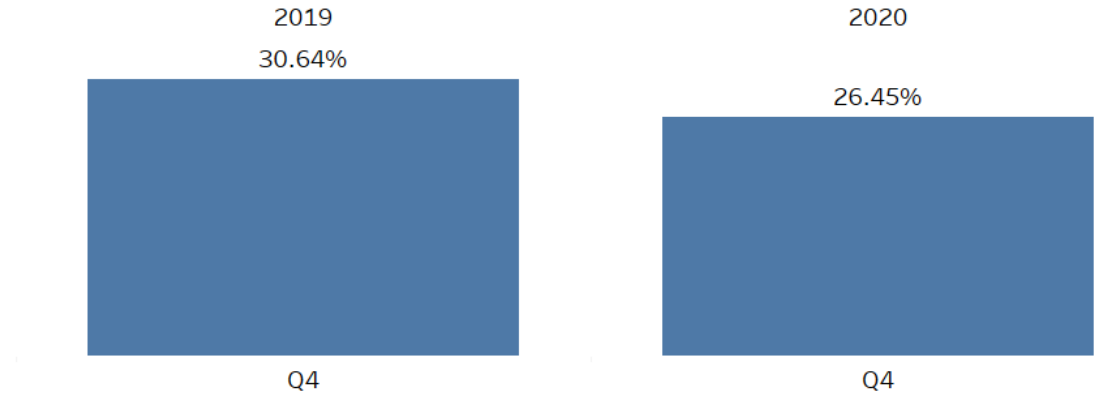
# Automotive financing<sup>1</sup>

## Snapshot of how and what consumers are financing

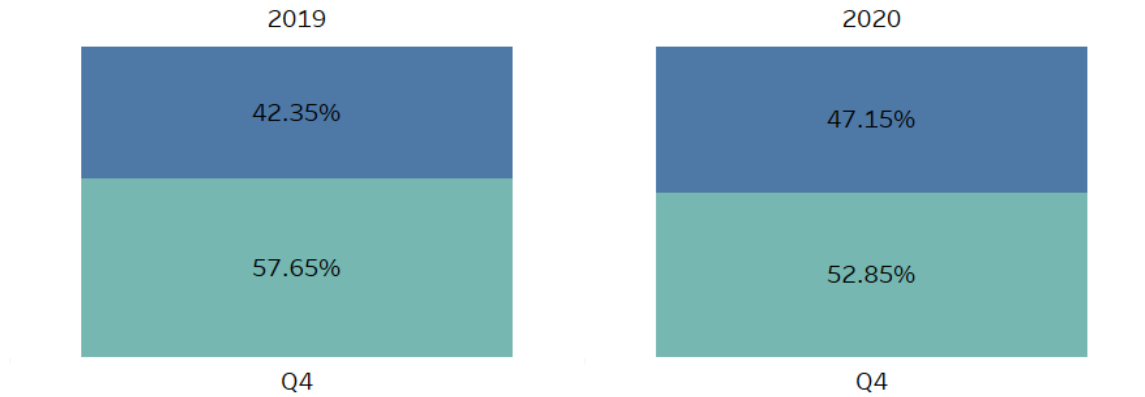
Percentage of vehicles with financing



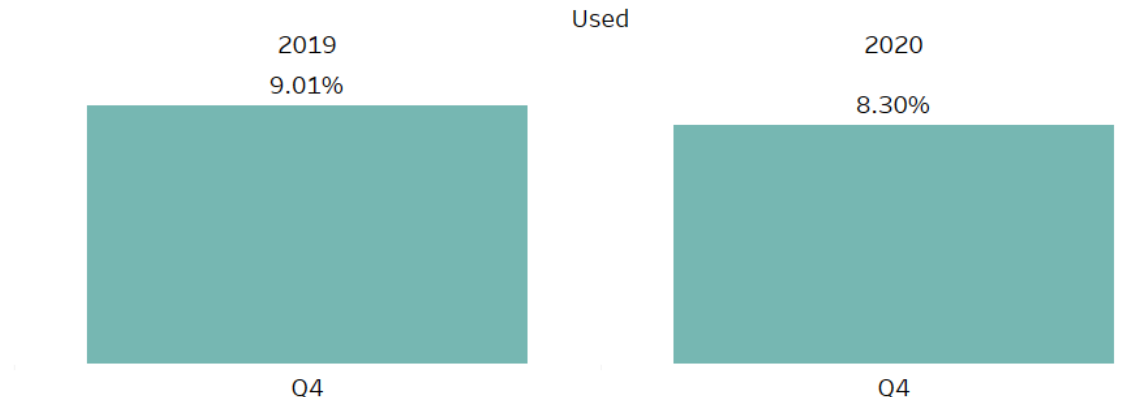
% of all new vehicles that are leased



New/Used percentage of financing



Used vehicle % of total lease market

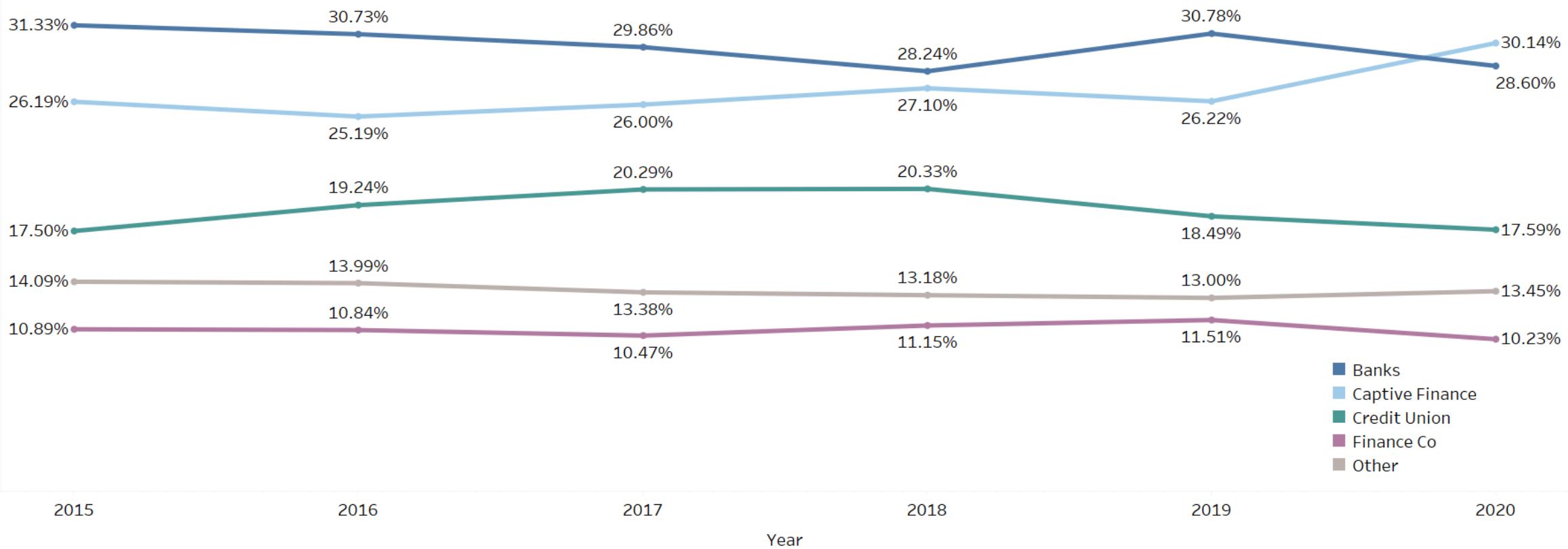


<sup>1</sup> Financing = either a loan or lease is present on the title; <sup>2</sup> All = loan, lease or cash



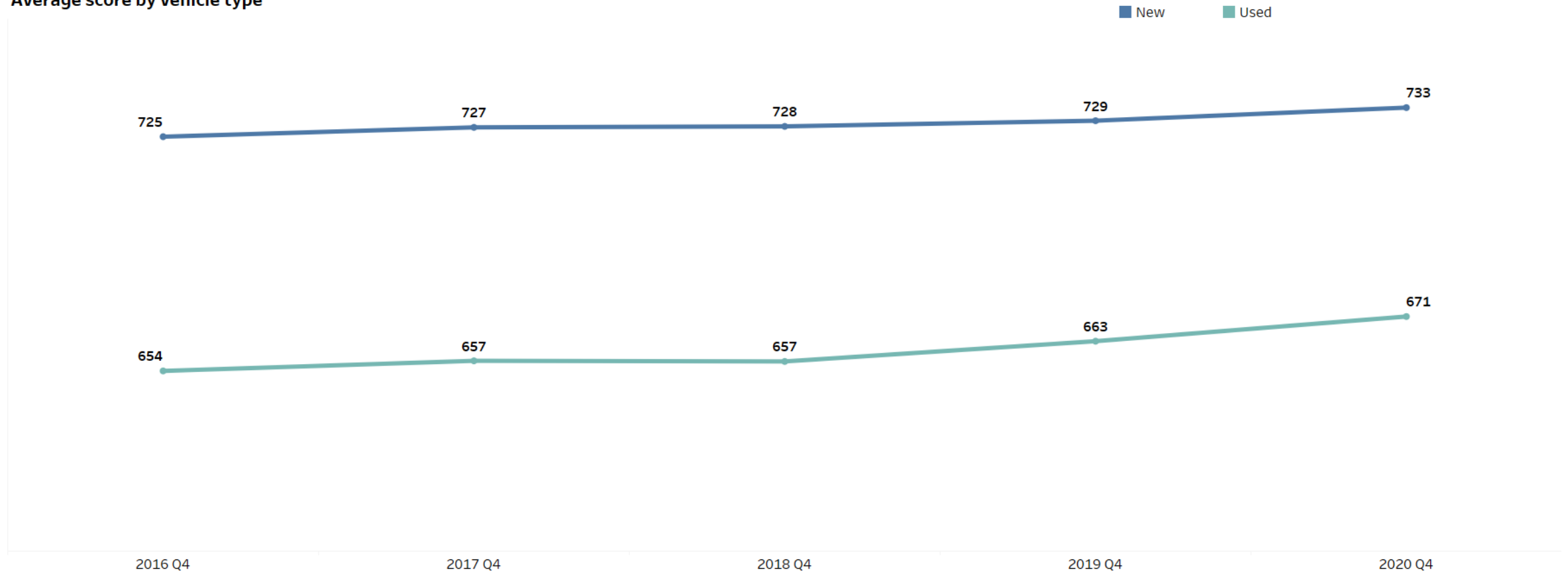
# Captives continue to increase market share

Market share of total financing



# Average scores increase 4 points for new and 8 for used vehicles

Average score by vehicle type

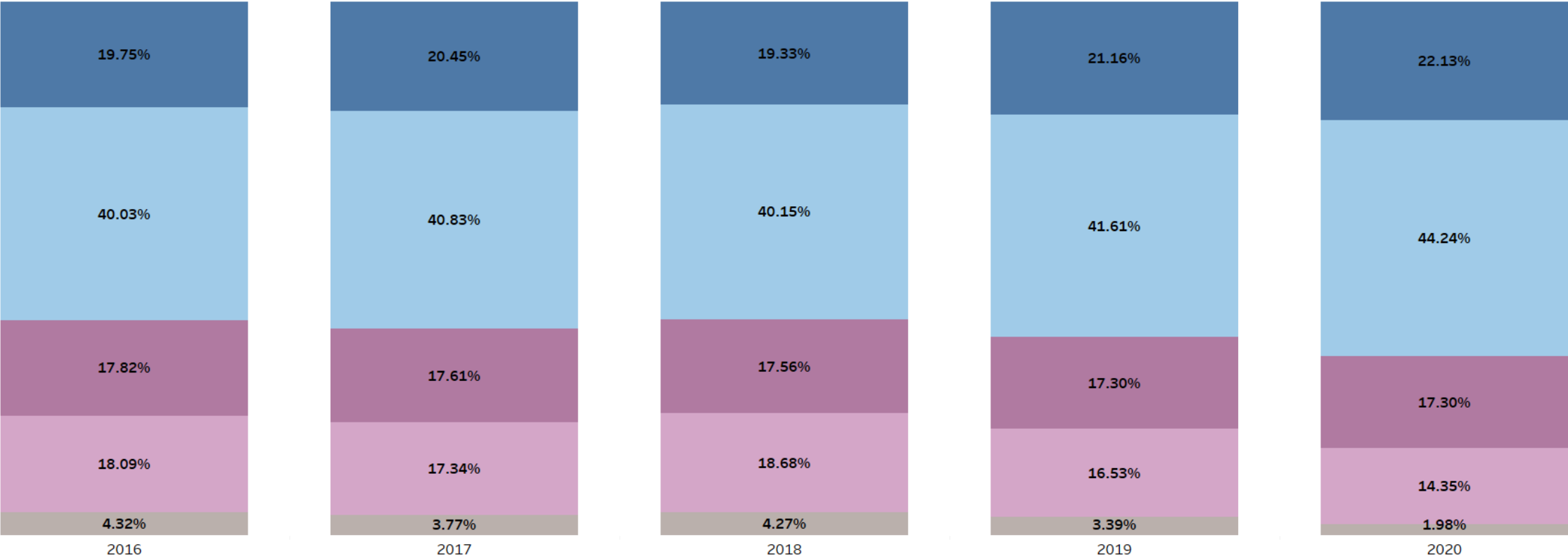


# Subprime segments reach record lows

Total (loan & lease/new & used) risk distribution

■ Super Prime ■ Prime ■ Near Prime ■ Subprime ■ Deep Subpr..

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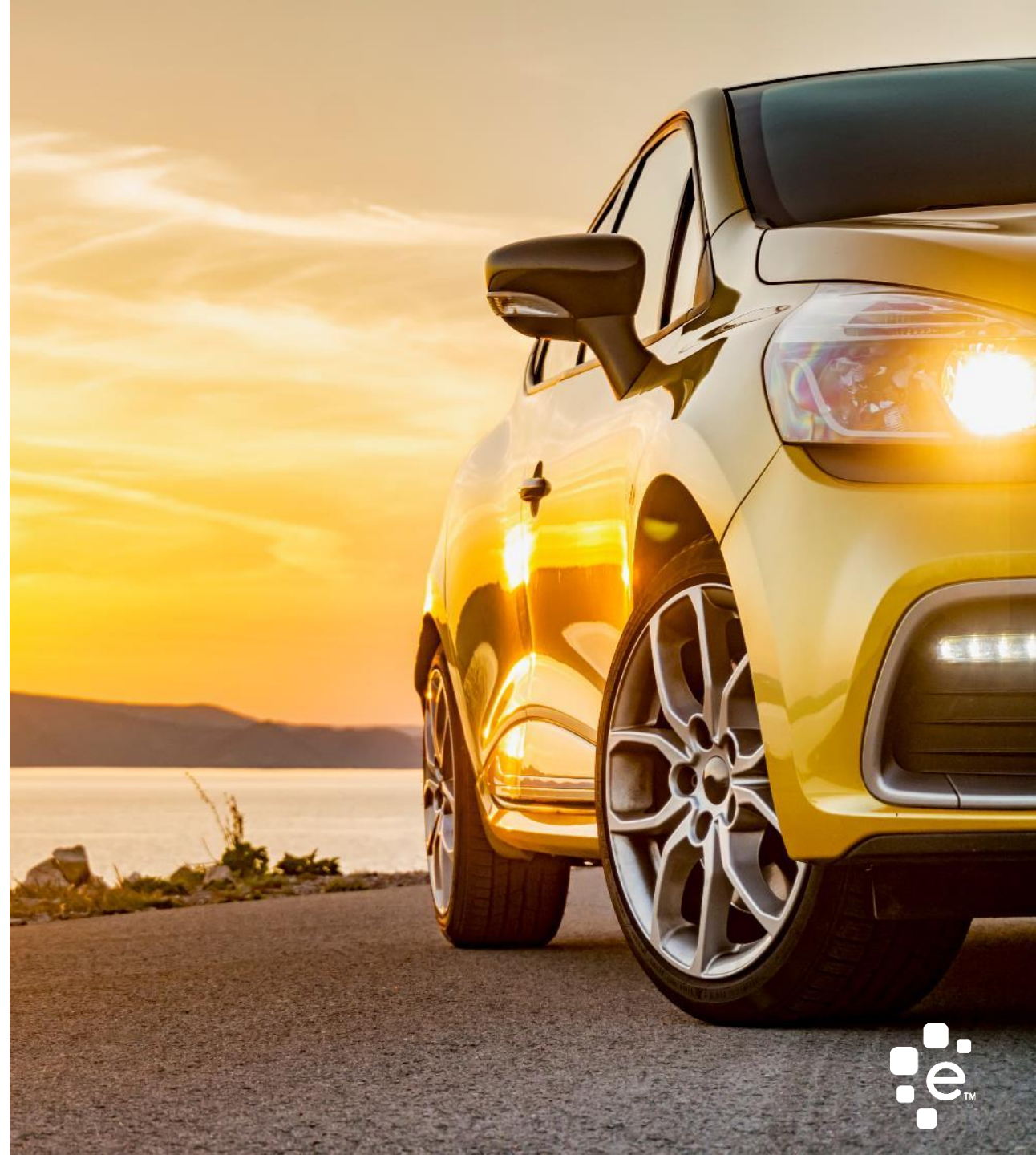


<sup>1</sup>Total financing = loan and lease transactions on both new and used vehicles



# New financing

A look at new lease & loan trends

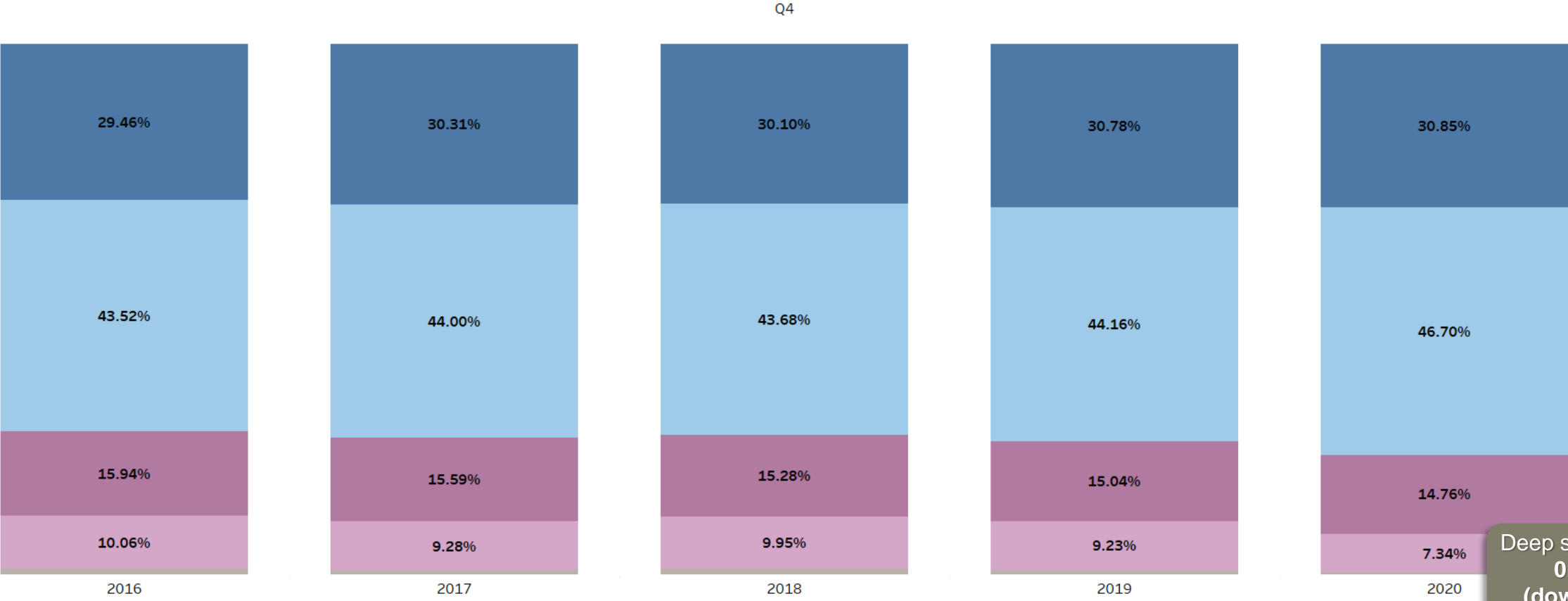




# Subprime new originations reach recession levels

New loan risk distribution

■ Super Prime ■ Prime ■ Near Prime ■ Subprime ■ Deep Subpr..

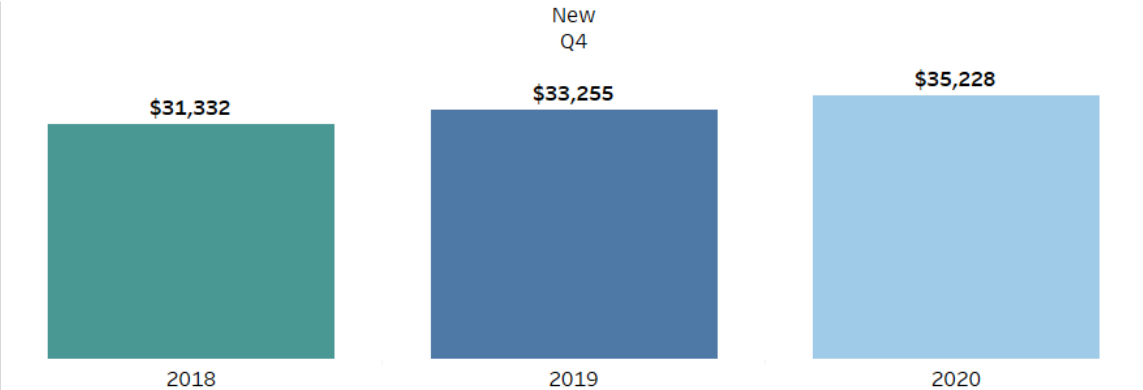


Deep subprime =  
0.36%  
(down 54%)

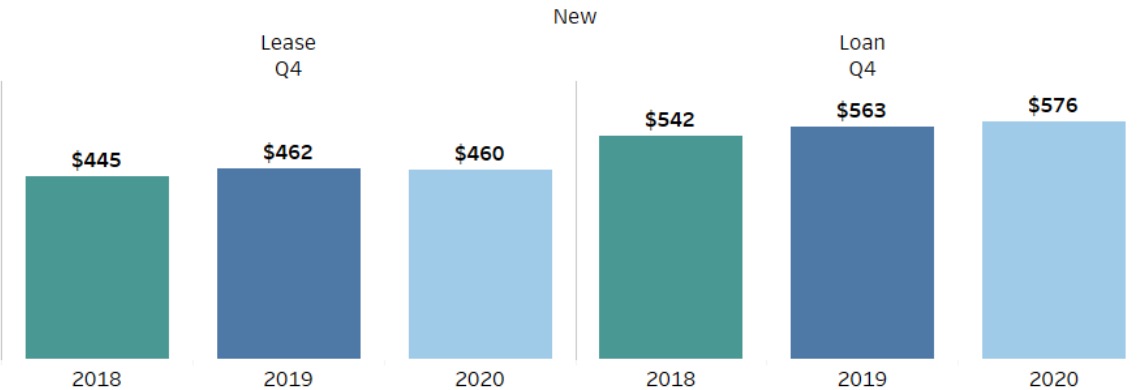


# New loan attribute summary: payments reach record high

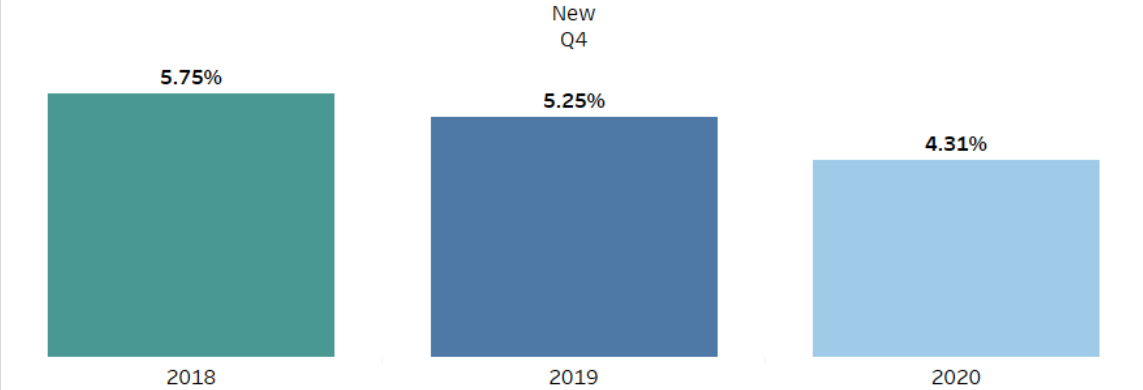
Average amount financed



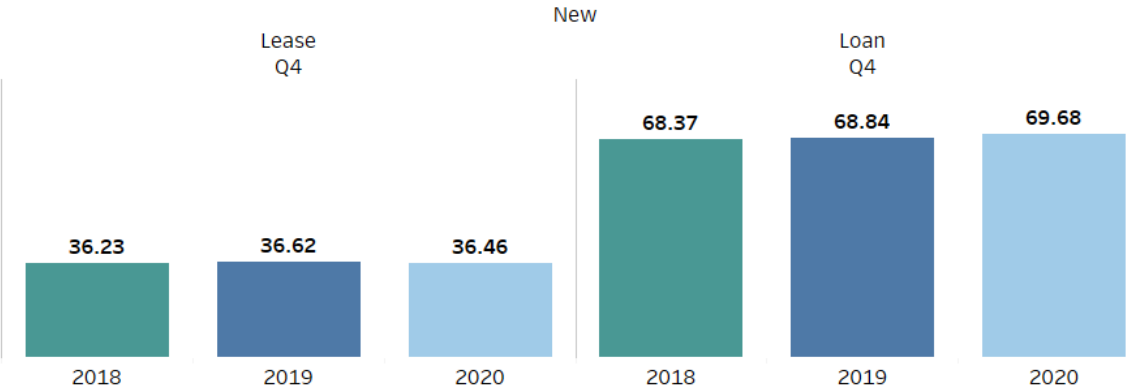
Average monthly payment



Average loan rate



Average loan term



# Used financing

A look at used automotive loan trends

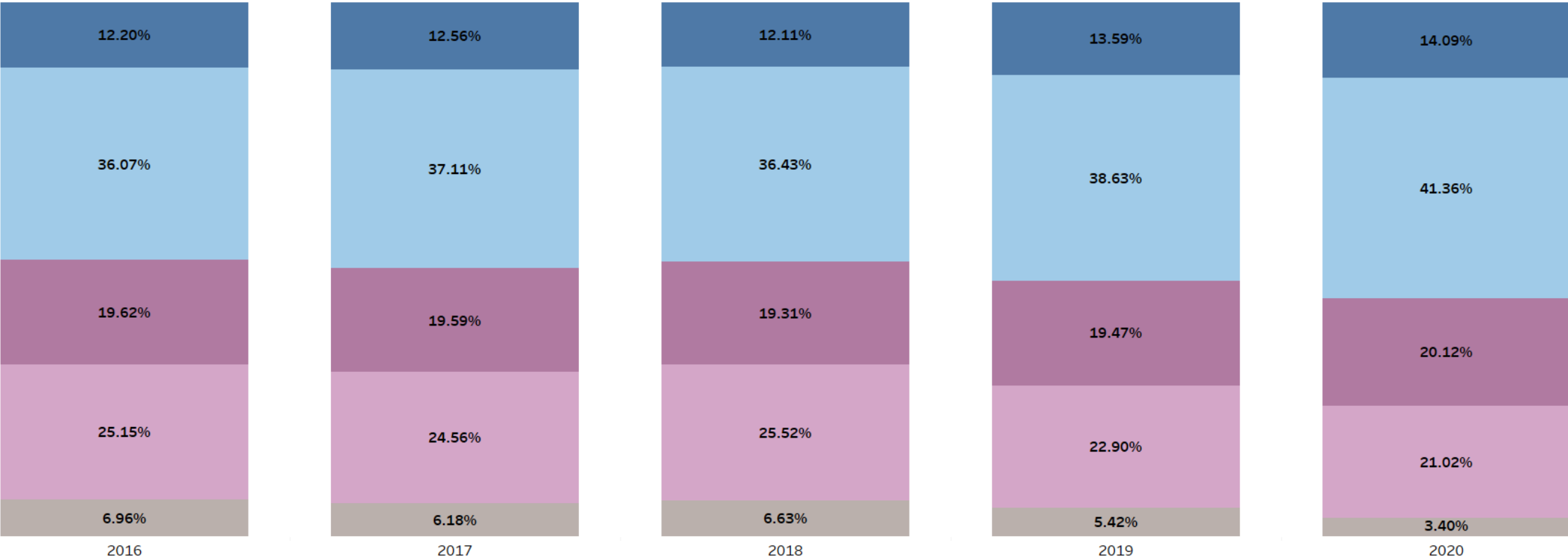


# Deep subprime & subprime used loans fall to record lows

Used loan risk distribution

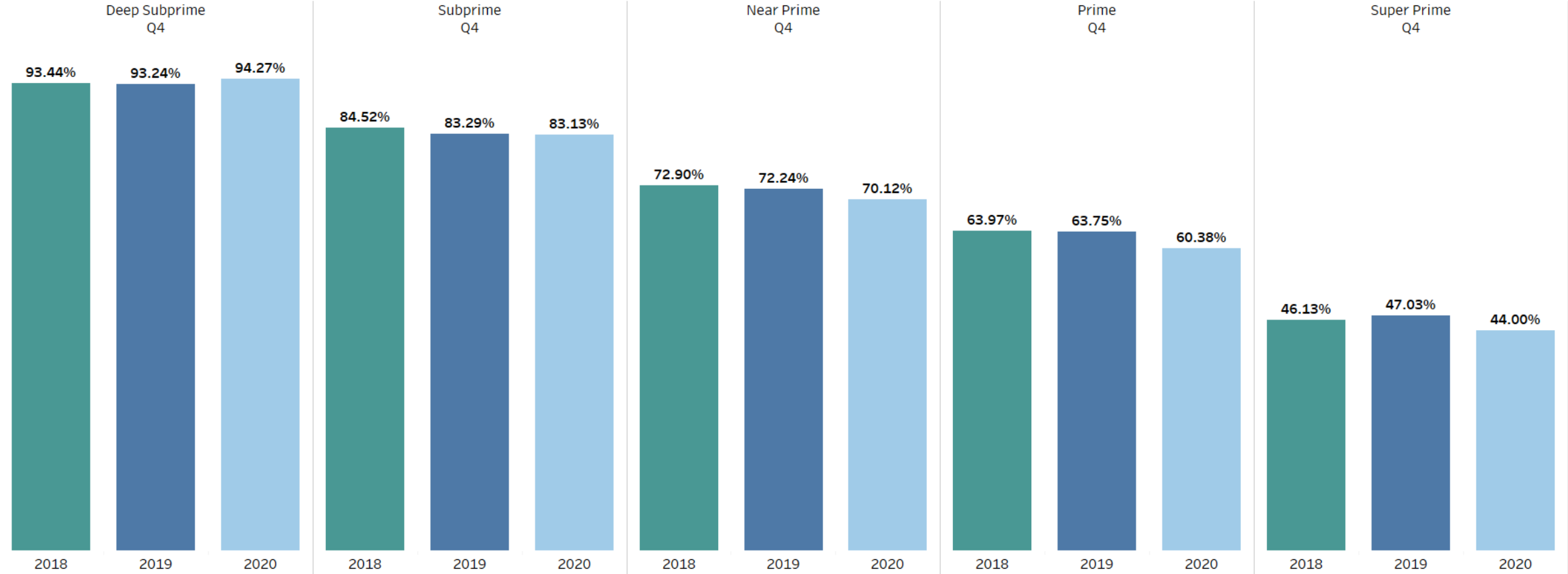
■ Super Prime ■ Prime ■ Near Prime ■ Subprime ■ Deep Subpr..

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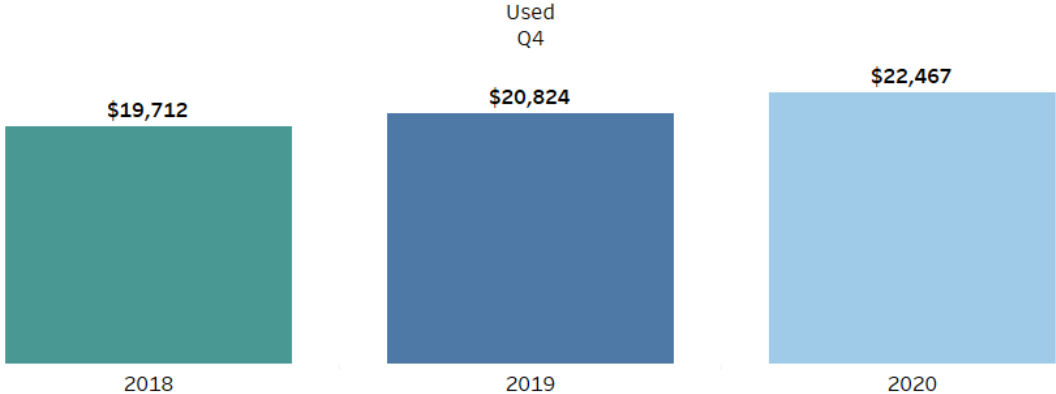
# 2020 disrupted the shift of prime borrowers to used vehicles

Consumers choosing used loans

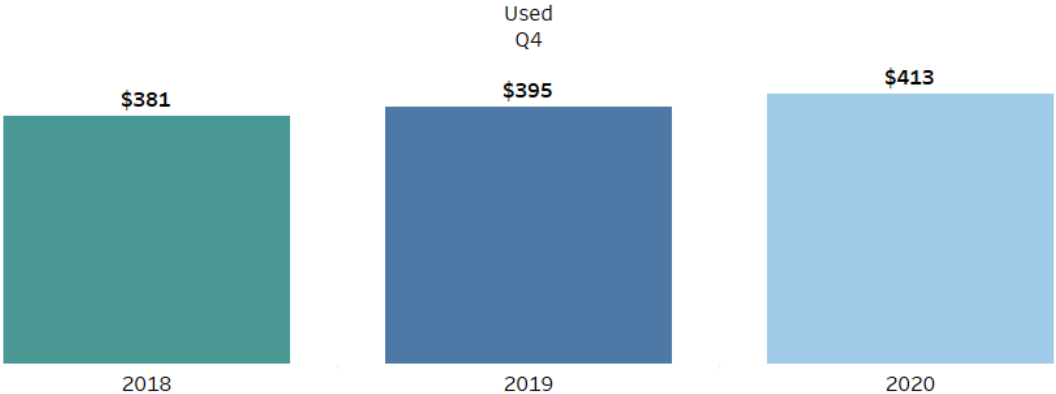


# Used loan attribute summary: used loan amounts & term hit record highs while payments surpass \$400 for the first time

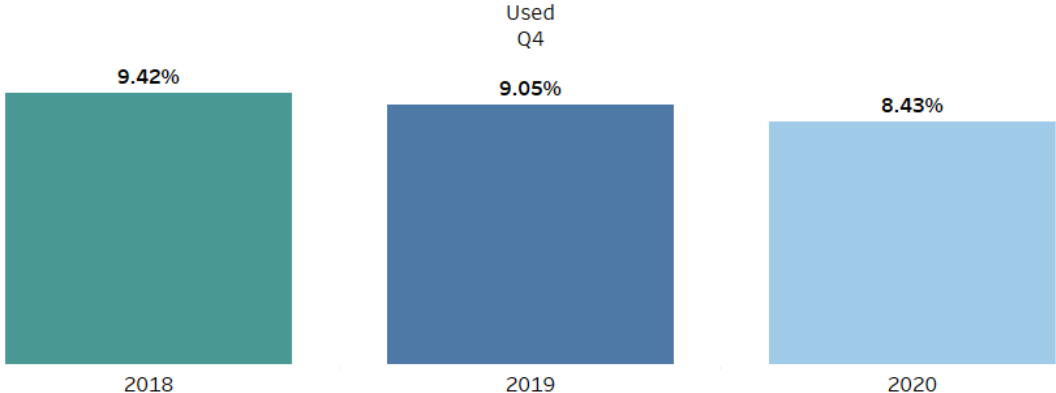
Average amount financed



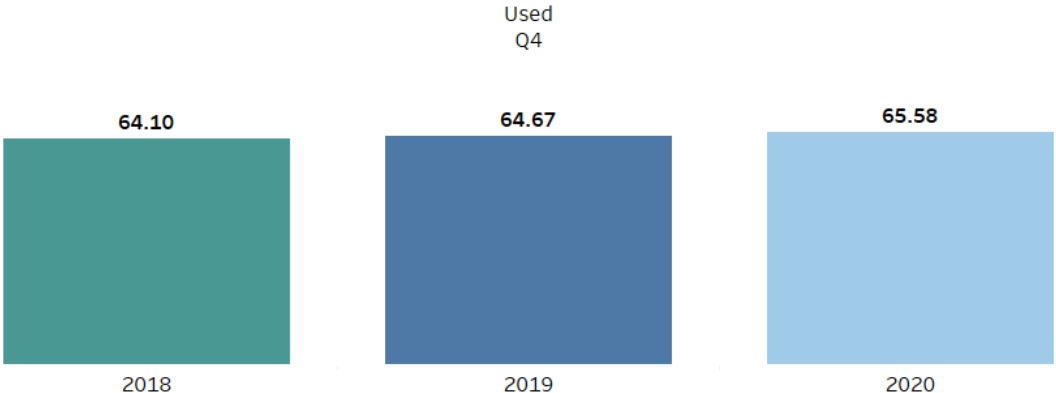
Average monthly payment



Average loan rate



Average loan term



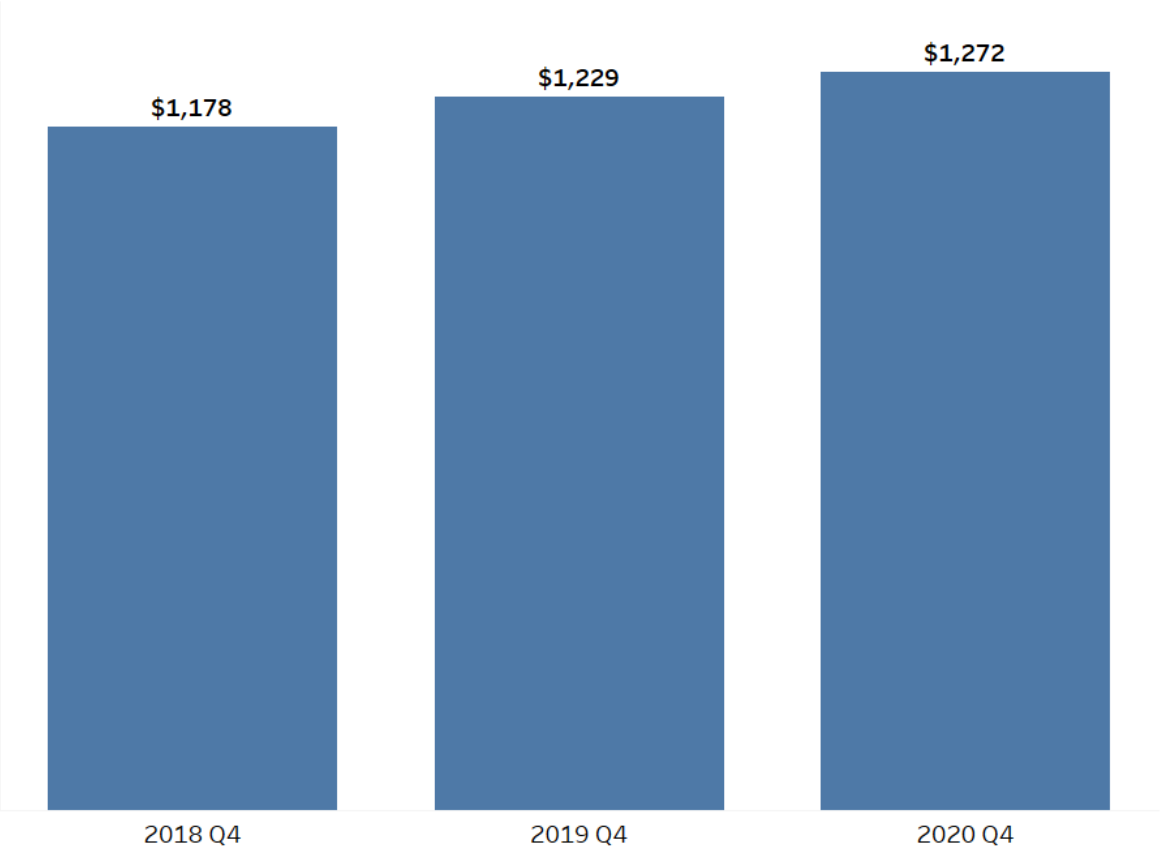
# Market Overview

All open auto loans & leases

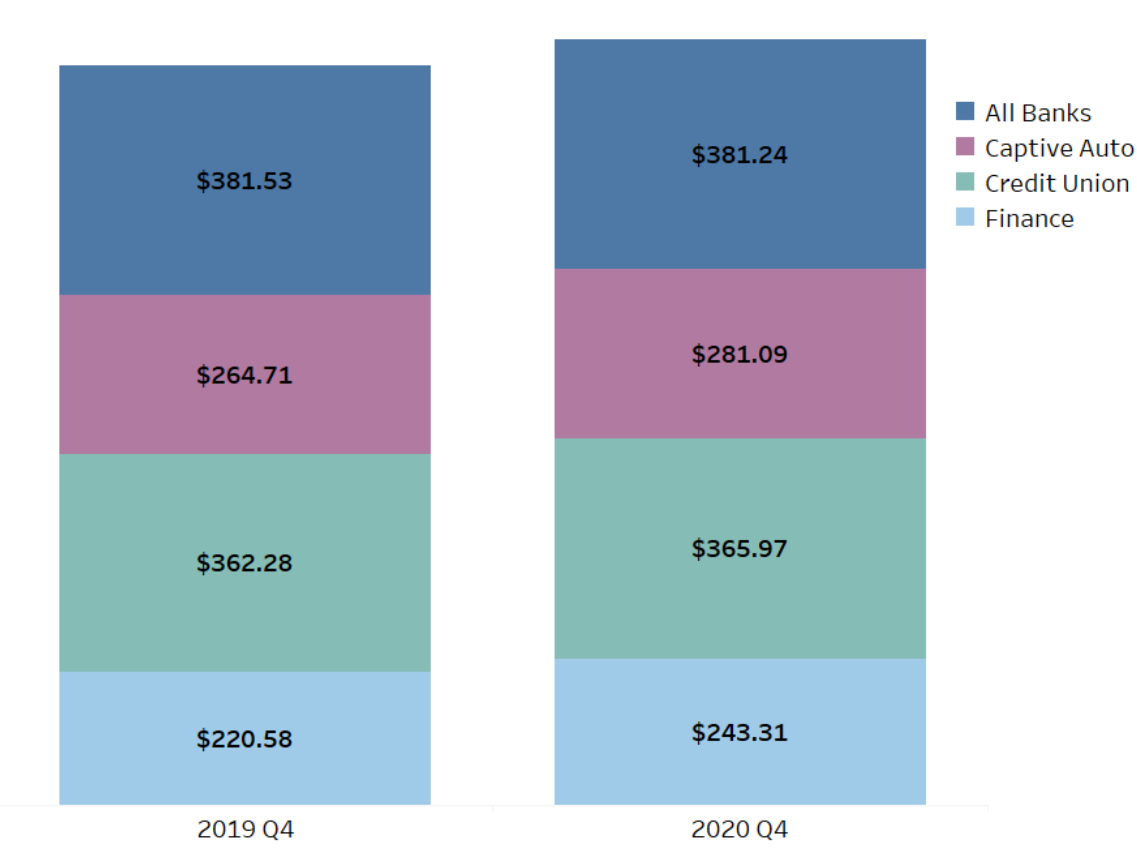


# Overall loan balances (in billions) grew 3.5% YOY with banks experiencing a slight decrease

Total open automotive loan balance



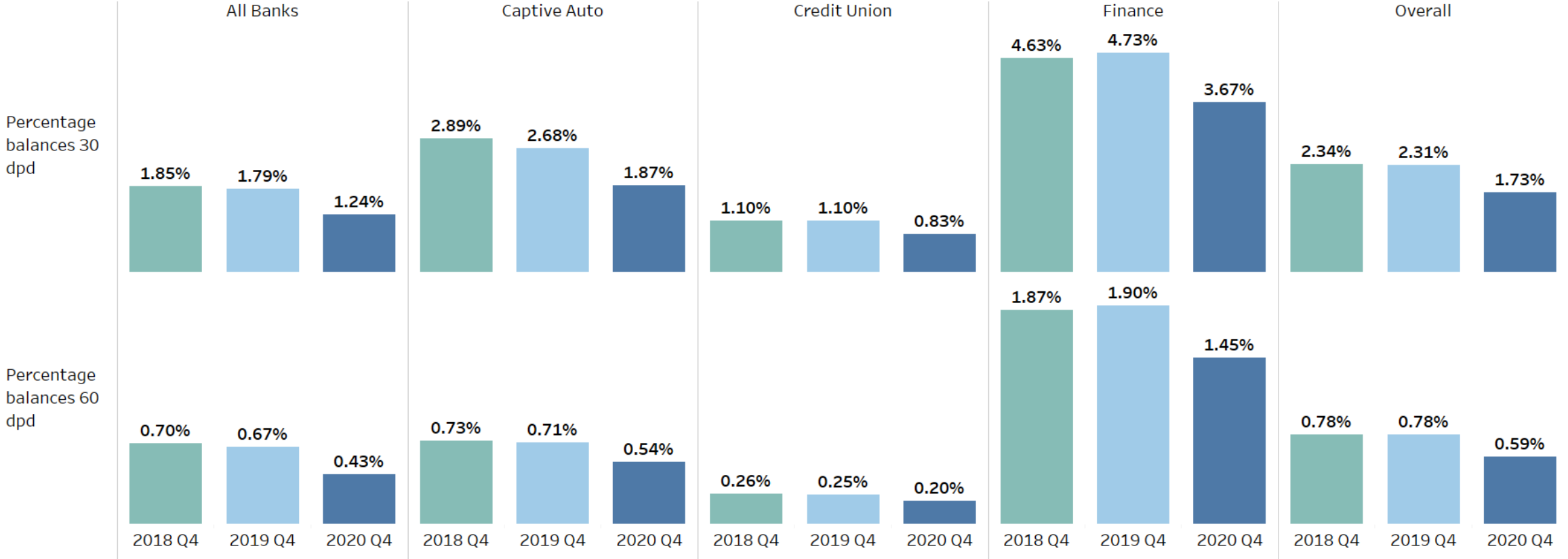
Total open automotive loan balance by lender type





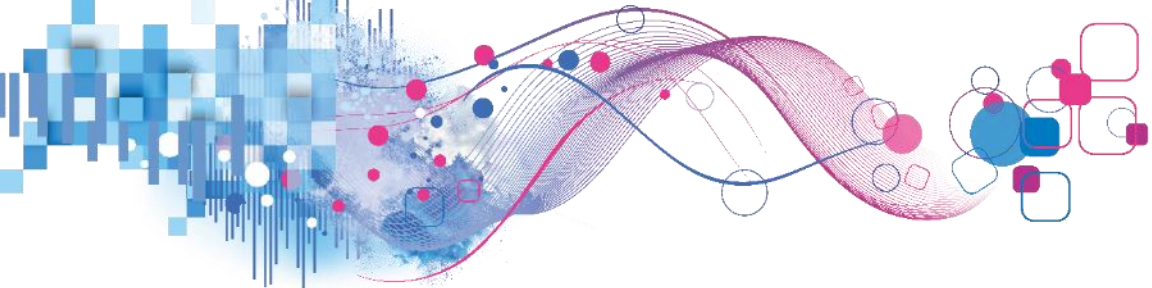
# Delinquent loan balances decrease year-over-year as some accounts remain in deferment

% Loan balances 30 and 60 days delinquent



# Q4 Summary

- Leasing remains low yet, financing overall has decreased
- Subprime continues to reach record lows for automotive financing
- Loan amounts, vehicle values and terms continue to grow
- Used payments surpassed \$400 for first time
- Overall balances climb and delinquencies remain low



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