TransUnion Auto Credit Industry Insights Report

Background on the Credit Industry Insights Report and our purpose for sharing this information

- TransUnion's Credit Industry Insights Report (CIIR) provides the financial services industry with market-level intelligence and key insights on four credit market segments: auto, card, consumer lending and mortgage.
- Two TransUnion business intelligence tools are used to create the auto CIIR:
  - TruIQ™: cloud-based analytics platform including credit data on credit-active consumers in the US.
  - AutoCreditInsight™: developed by TransUnion in partnership with S&P Global Mobility; blends depersonalized credit data with personal registrations for light vehicles in the US market.
- The high-level results and key insights are updated and shared every quarter via press release and webinar.
- As part of our mission to impart meaningful and actionable insights to the auto segment, we're providing our auto customers with this shortened presentation summarizing the auto-specific results from the CIIR.
- Customers can generate their own market-level or even more customized insights through TransUnion's Business Intelligence solutions: Prama® and AutoCreditInsight™, in partnership with S&P Global Mobility
  - Please contact your TransUnion sales associate to learn how to obtain access to these tools.

Auto Industry Insights Overview

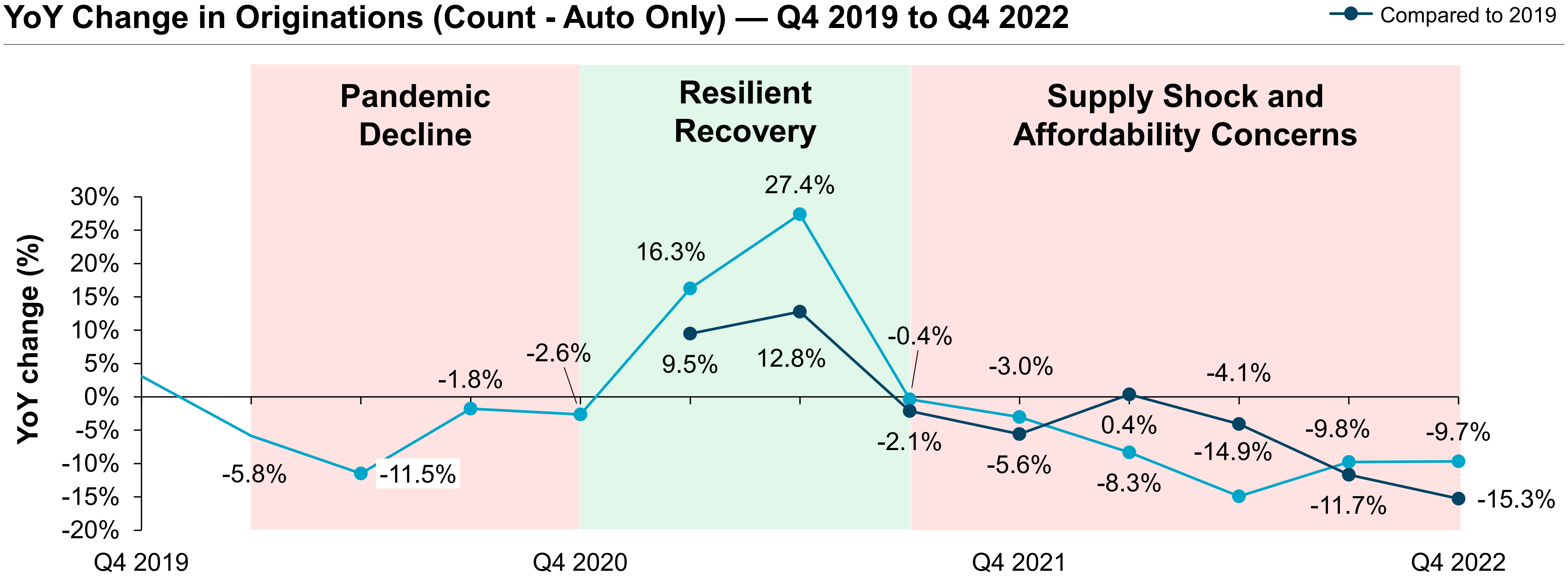
Originations	In Q4 2022, total originations (#) fell 10% YoY and are down **15% vs Q4 2019** • While all risk tiers remain below 2019 origination levels, super prime stabilized in Q4 with a (1%) YoY change • **Monthly payments** continue to grow as APR's increase and term extension retreats
Delinquencies	In Q1 2023, 60+ DPD (account level) **delinquencies climbed 26bps YoY** to 1.69%. But recent used vehicle vintages showed slight signs of improvement
Quarterly Spotlight	While the **refinance market** share is down significantly, those remaining are primarily driven by lower monthly payments rather than APR savings

Originations

- In Q4 2022, total originations (#) fell 10% YoY and are down 15% vs Q4 2019
- While all risk tiers remain below 2019 origination levels, super prime has stabilized in Q4 with a (1%) YoY change
- Monthly payments continue to grow as APR’s increase and term extension retreats

Q4 2022 originations remained 15% below Q4 2019, suppressed by inventory and rising interest rates

YoY Change in Originations (Count - Auto Only) — Q4 2019 to Q4 2022



Note: Originations are viewed one quarter in arrears to account for reporting lag

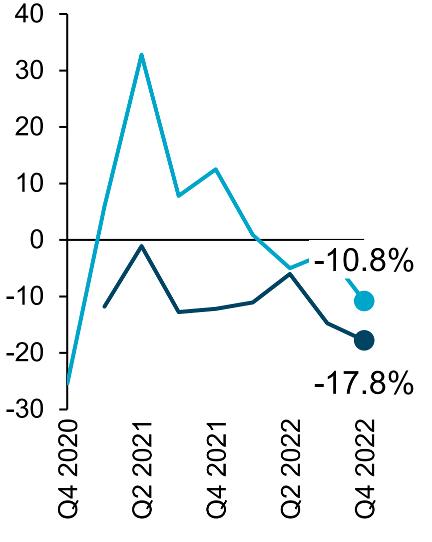
Source: TransUnion US consumer credit database

While originations in all risk tiers remain below 2019 levels, super prime stabilized in Q4 YoY with a (1%) change vs Q4 2021

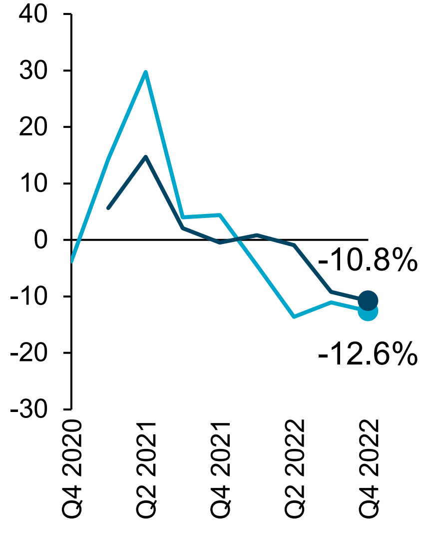
YoY Change in Originations (Count) — Q4 2020 to Q4 2022

— Compared to 2019

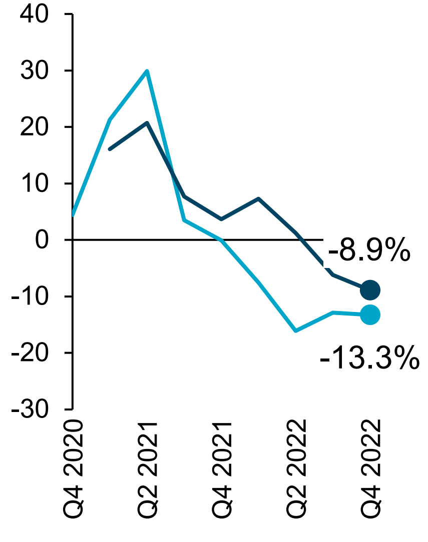
Subprime
YoY change, %



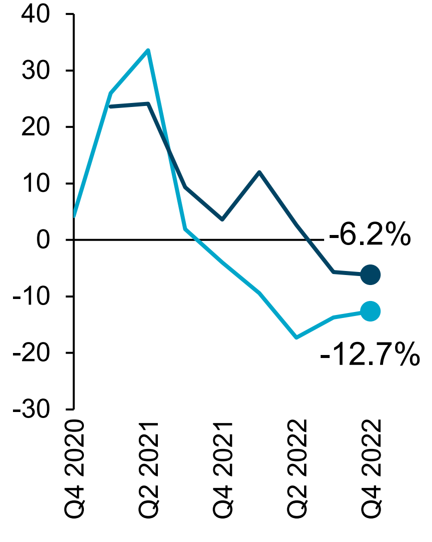
Near prime
YoY change, %



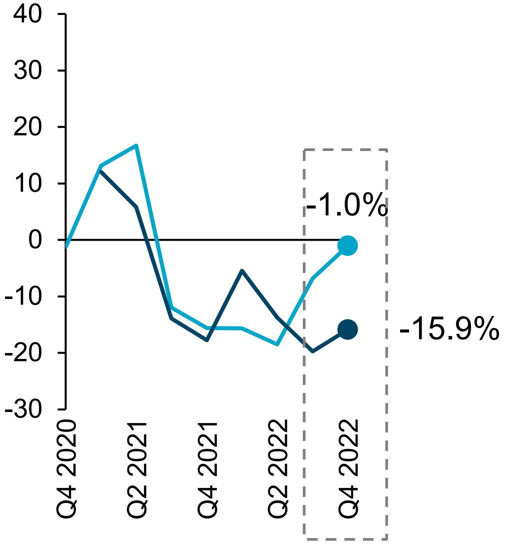
Prime
YoY change, %



Prime plus
YoY change, %



Super prime
YoY change, %



VantageScore® 4.0 risk ranges, calculated at origination

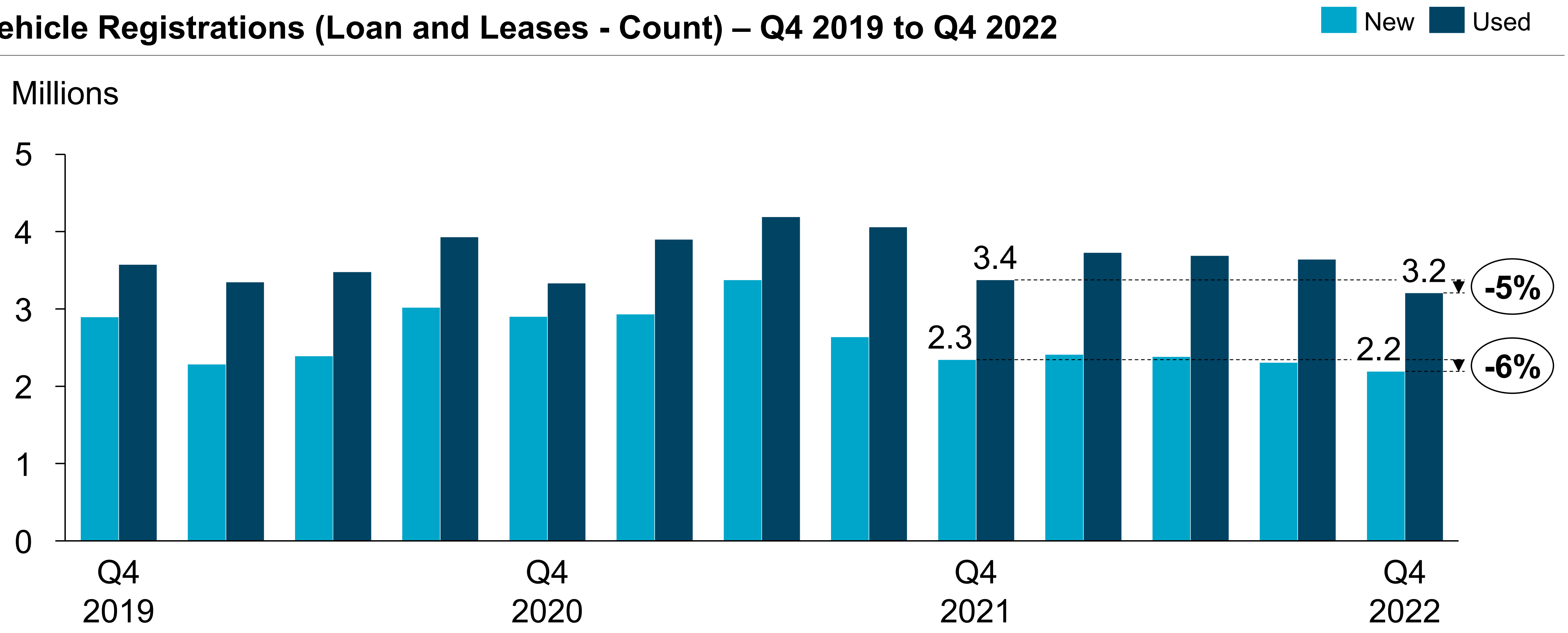
Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

Note: Originations are viewed one quarter in arrears to account for reporting lag

Source: TransUnion US consumer credit database

Vehicle registrations are down 6% for new vehicles, and 5% for used vehicles as of Q4 2022

Vehicle Registrations (Loan and Leases - Count) – Q4 2019 to Q4 2022

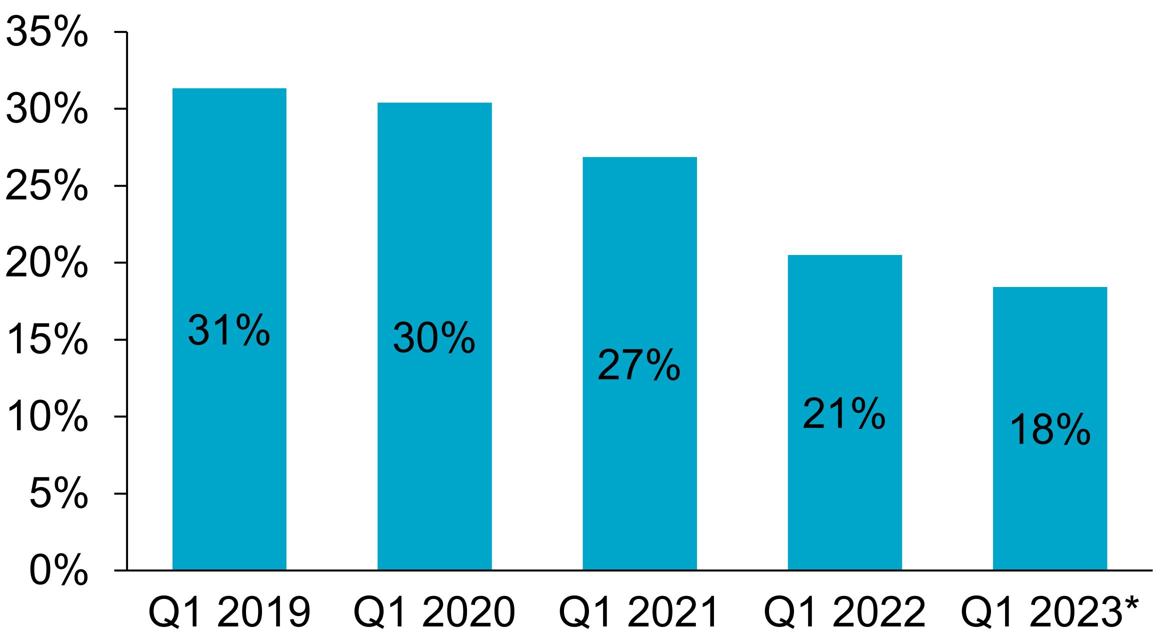


Source: AutoCreditInsight™ by S&P Global Mobility, TransUnion

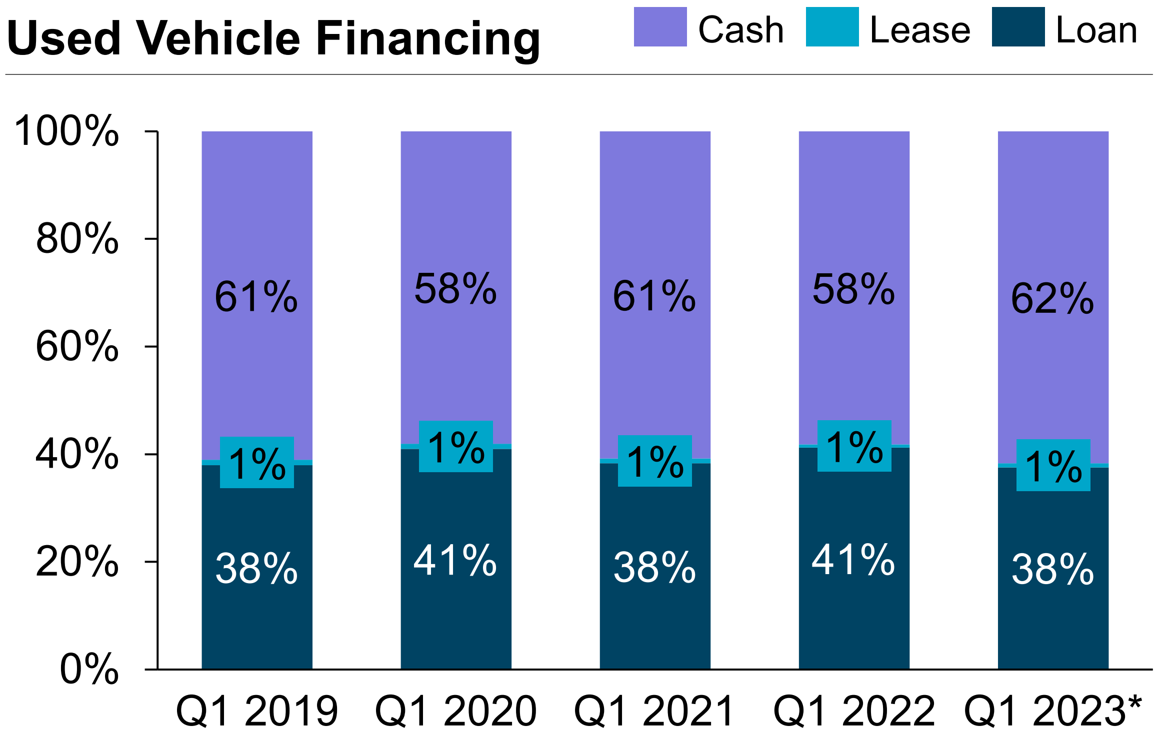
New vehicle financing continues to experience a material drop in leasing as inventories remain low

Leasing as a % of Registrations – Q1 2019 to Q1 2023

New Vehicle Leasing **



Used Vehicle Financing



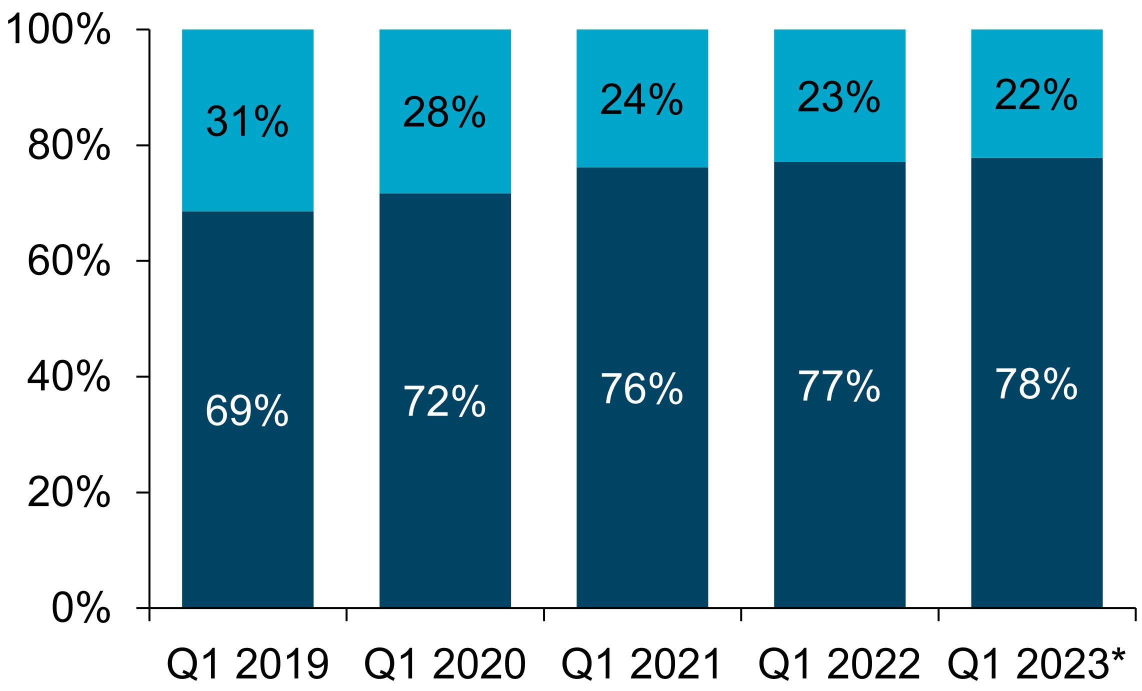
* Q1 2023 Reflects partial quarter data

** Displaying lease market share only, due to data reporting lag on new vehicle registrations

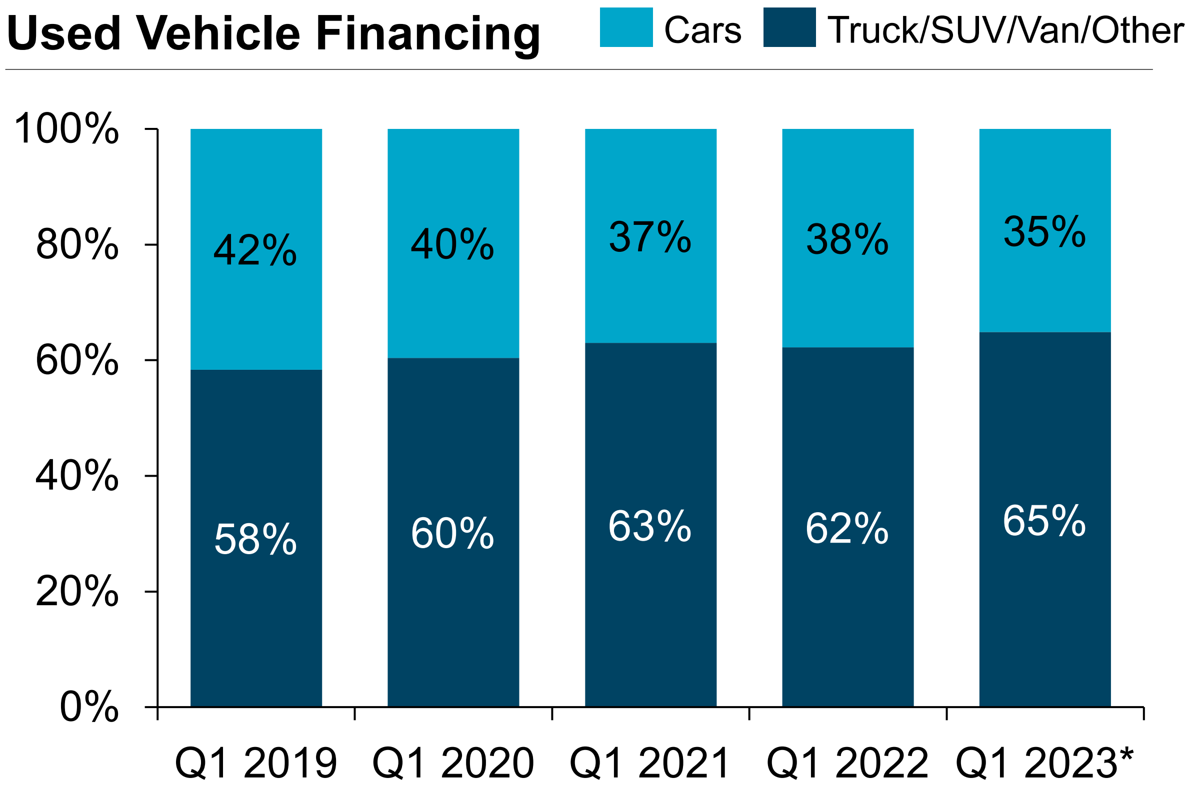
Trucks, SUV and Van share growth is slowing, at 78% of the new vehicle market in Q1 and 65% of used vehicle market

% of Financed Cars vs. Truck/SUV/Van/Other – Q1 2019 to Q1 2023

New Vehicle Financing



Used Vehicle Financing



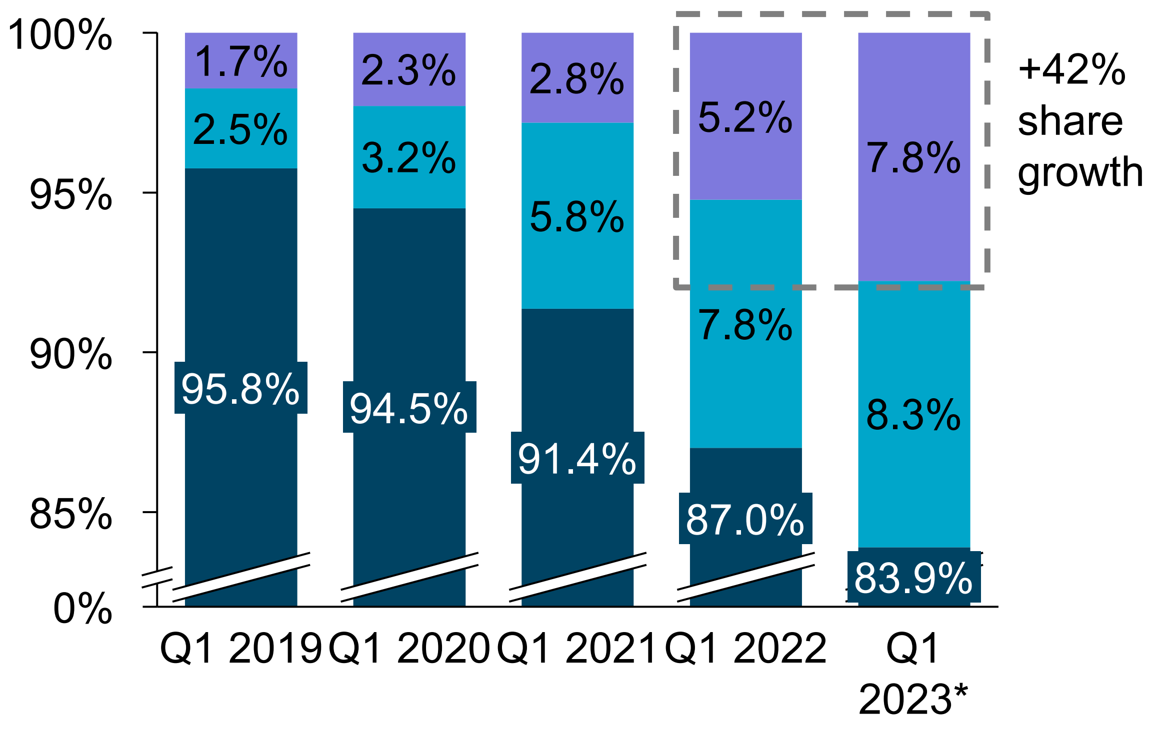
*Q1 2023 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

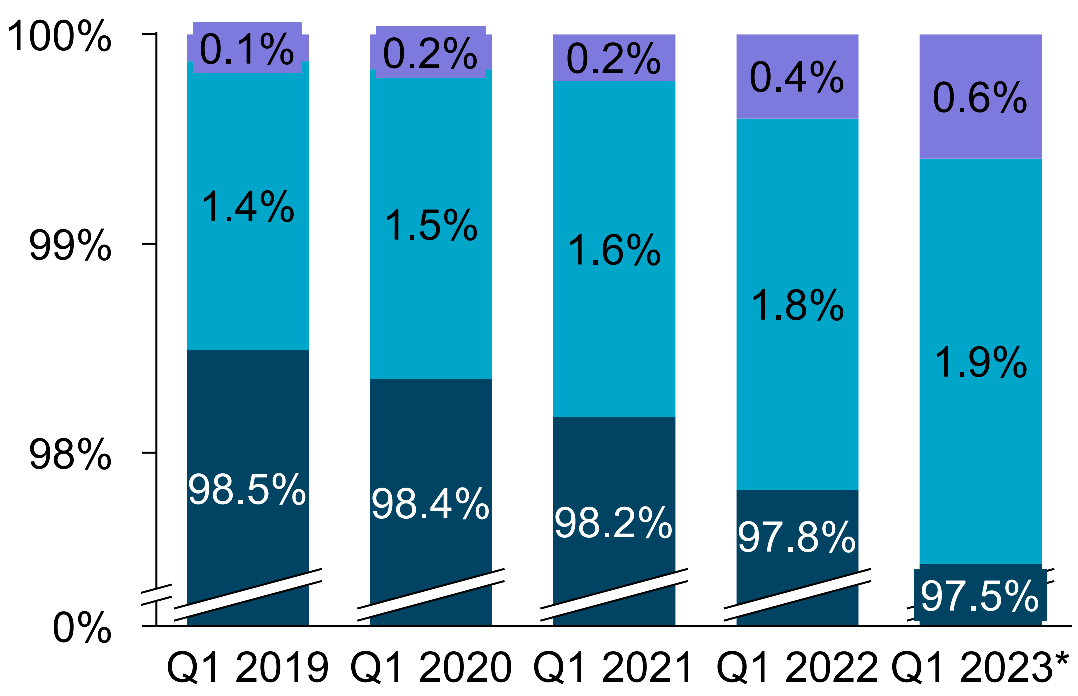
Electric vehicles continue to gain market share, now at 7.8% of new vehicles financed in Q1 2023

% of Financed Cars by Fuel Type – Q1 2019 to Q1 2023

New Vehicle Financing



Used Vehicle Financing



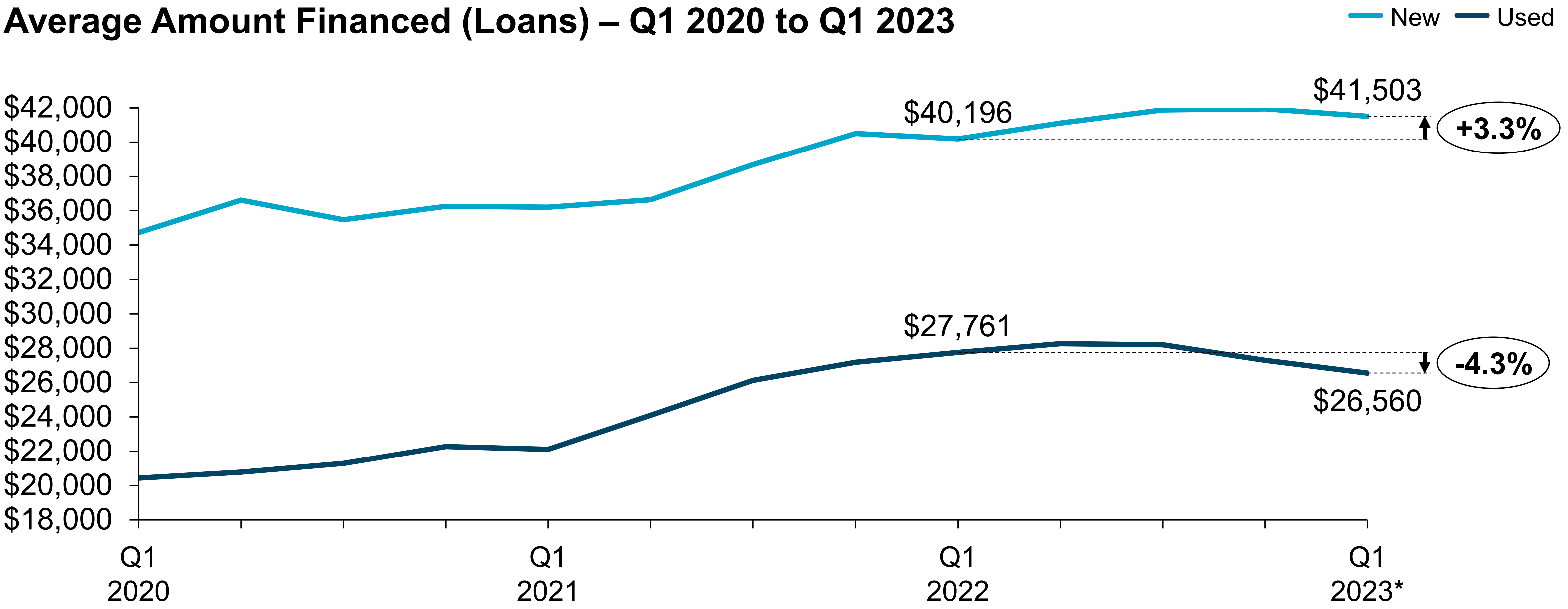
*Q1 2023 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Average amount financed remains elevated in Q1 2023 for new vehicles, while amounts financed for used vehicles continue gradual declines

Average Amount Financed (Loans) – Q1 2020 to Q1 2023

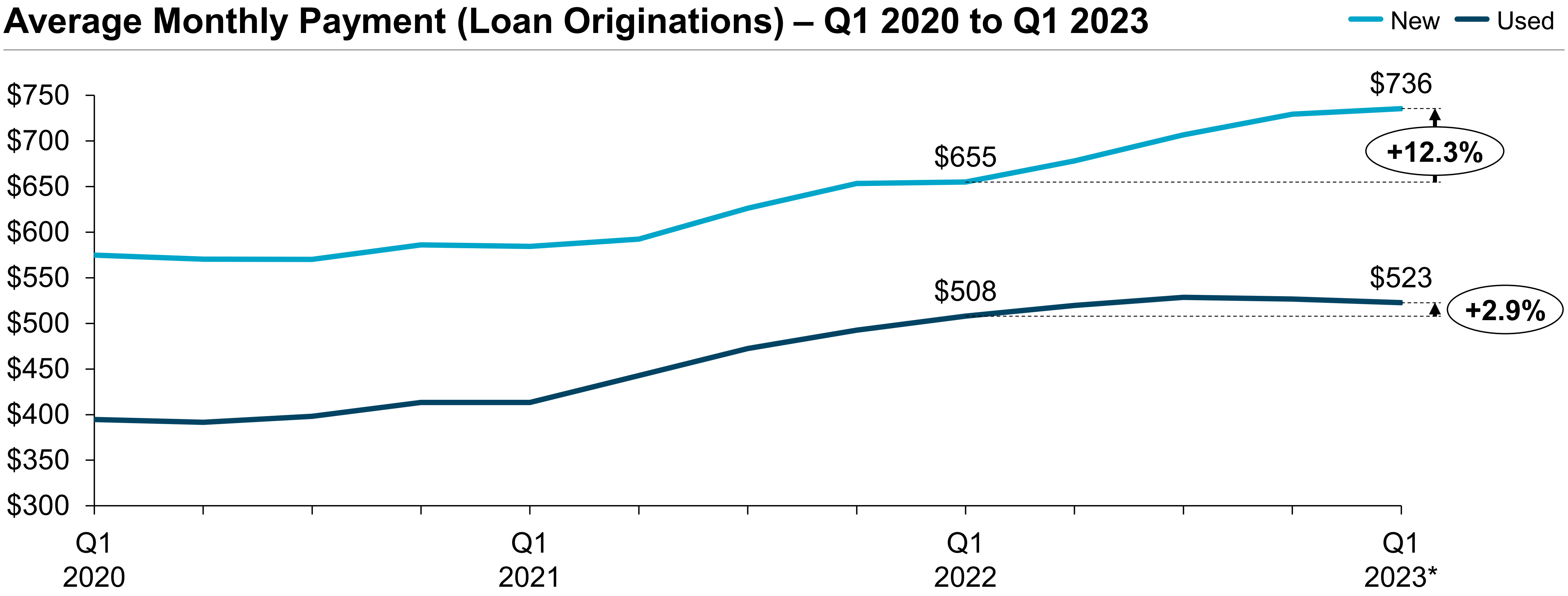


*Q1 2023 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Despite a slowdown in financed amount growth, monthly payments continued to rise as rates increased and longer terms subsided

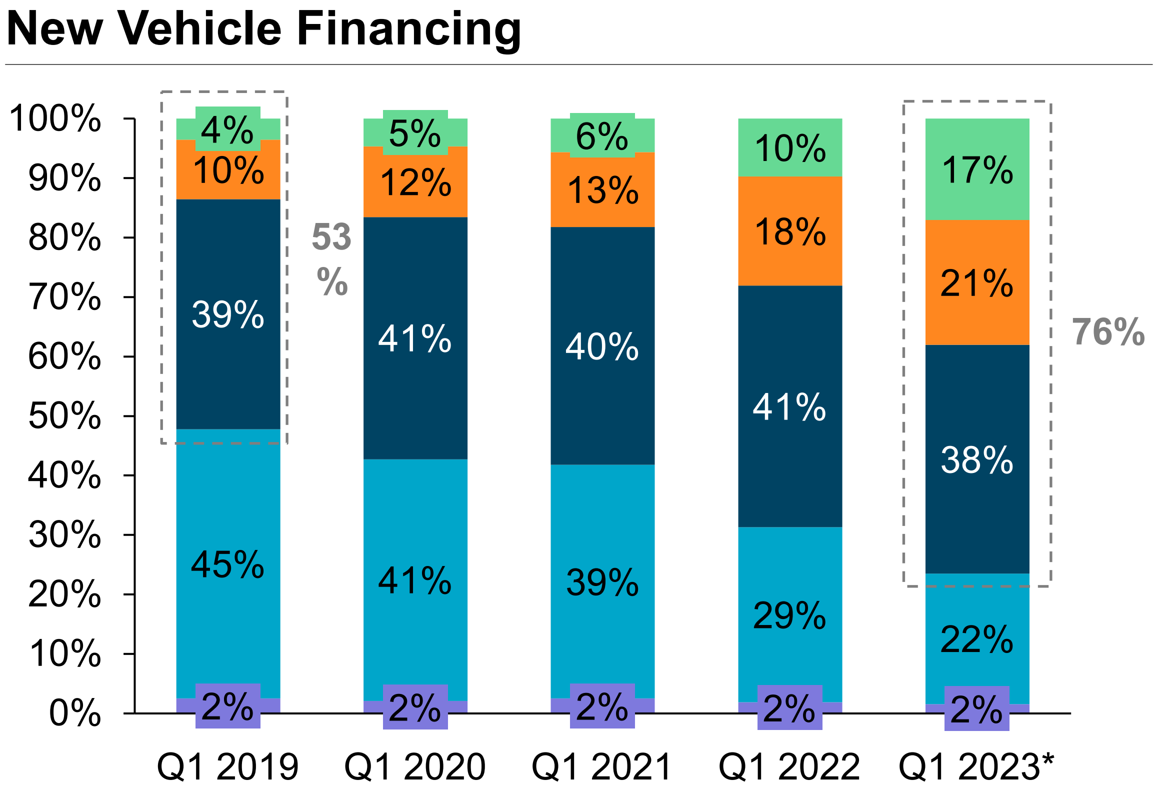
Average Monthly Payment (Loan Originations) – Q1 2020 to Q1 2023

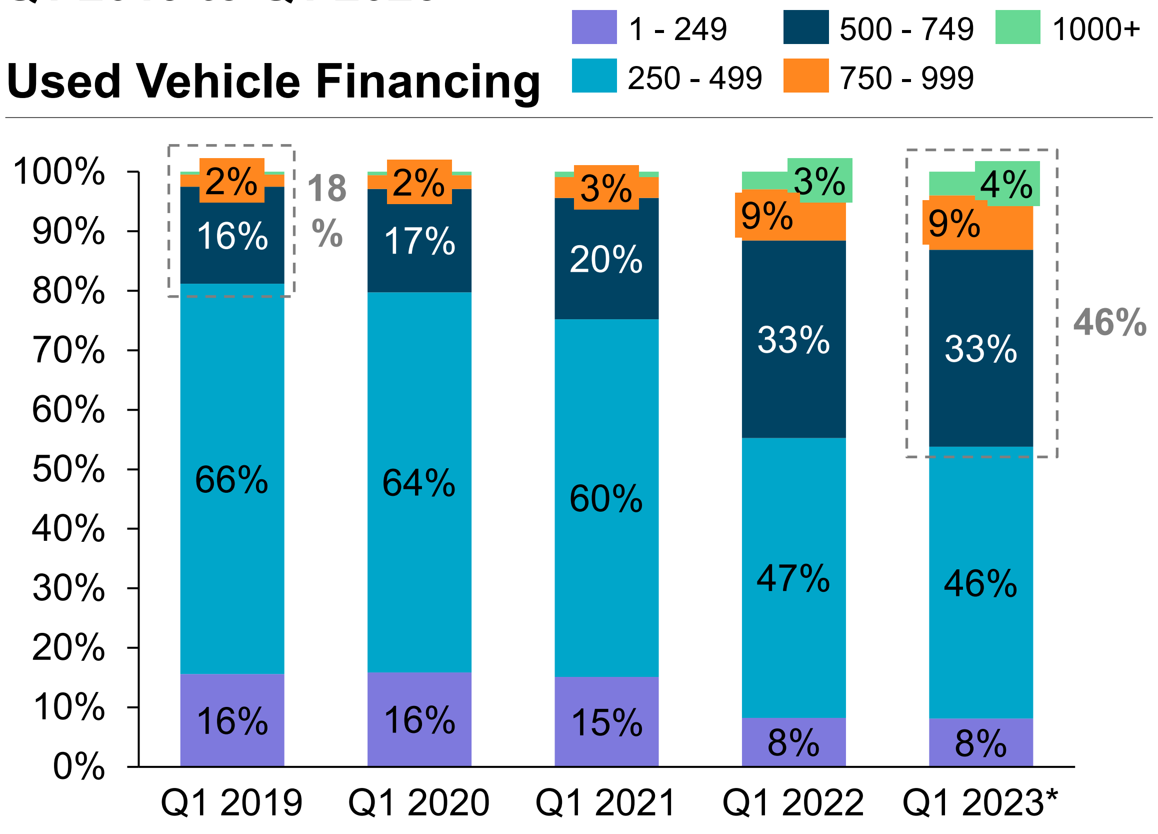


*Q1 2023 Reflects partial quarter data

Three out of four new vehicle loan originations now have monthly payments over $500, and nearly half of used vehicle originations

Monthly Payment Distribution (Loan Originations) – Q1 2019 to Q1 2023



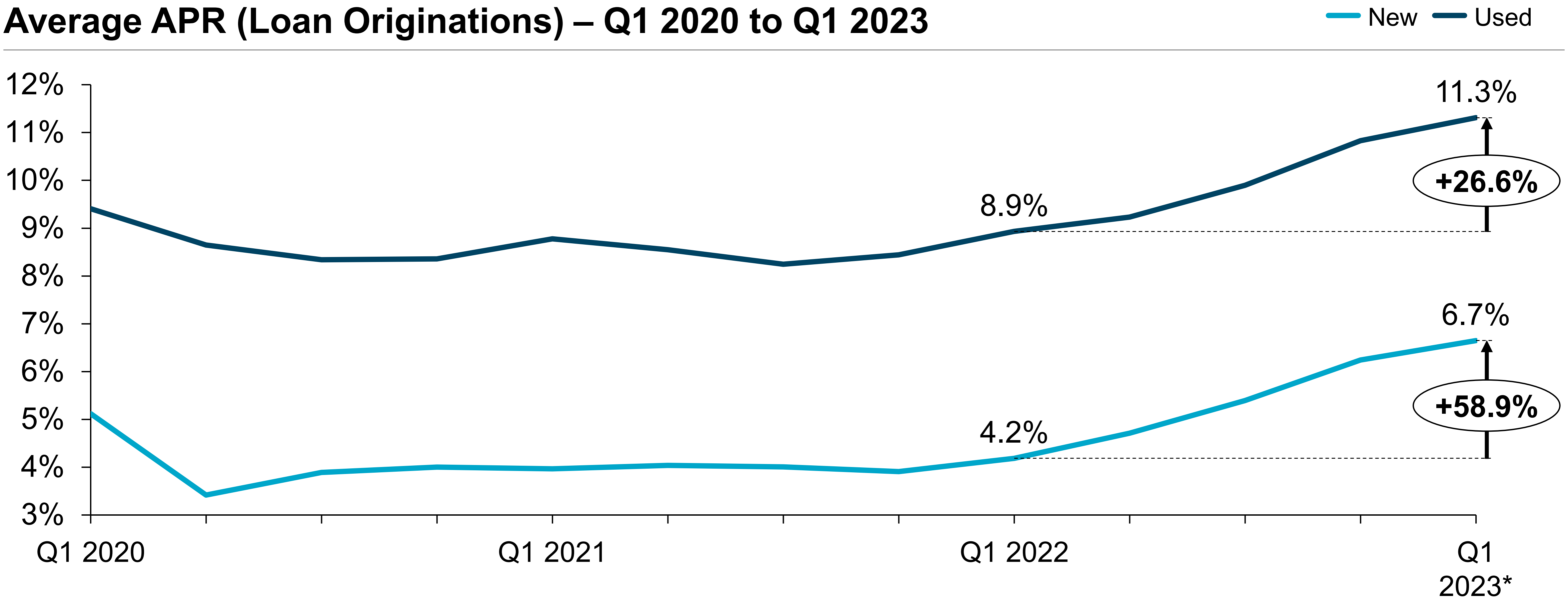


*Q1 2023 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Average APR's are up 27% YoY for used vehicle financing and 59% for new vehicle financing

Average APR (Loan Originations) – Q1 2020 to Q1 2023



*Q1 2023 Reflects partial quarter data

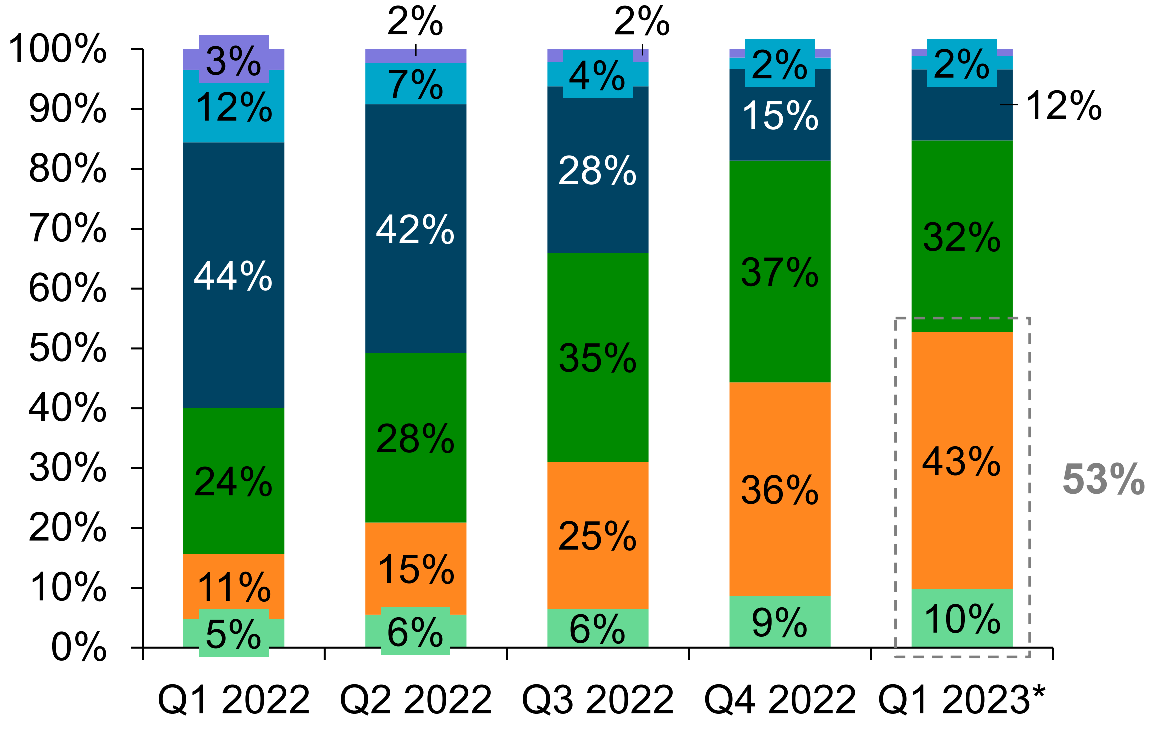
Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Over half of new vehicle loan originations in Q1 2023 had an APR of 6% or greater, and 87% of used vehicle originations

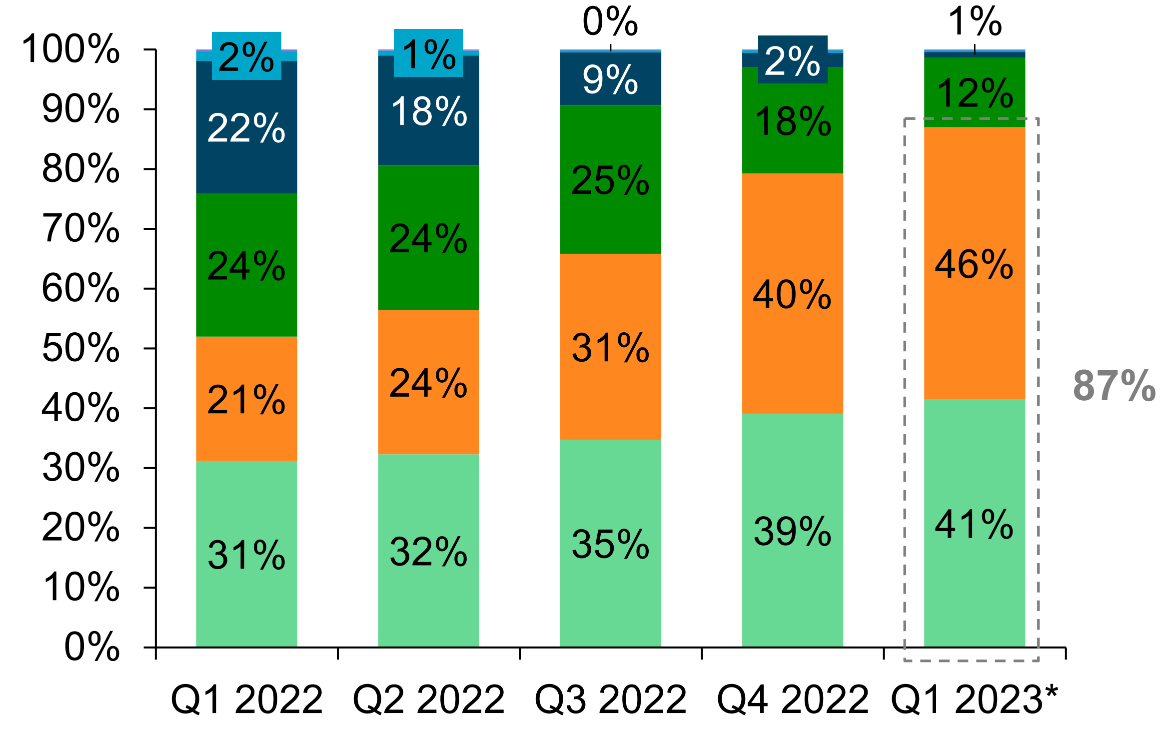
APR Distribution (Loan Originations) – Q1 2022 to Q1 2023

0%
0.01 - 1.9%
2.0 - 3.9%
4.0 - 5.9%
6.0 - 9.9%
10%+

New Vehicle Financing



Used Vehicle Financing



*Q1 2023 Reflects partial quarter data

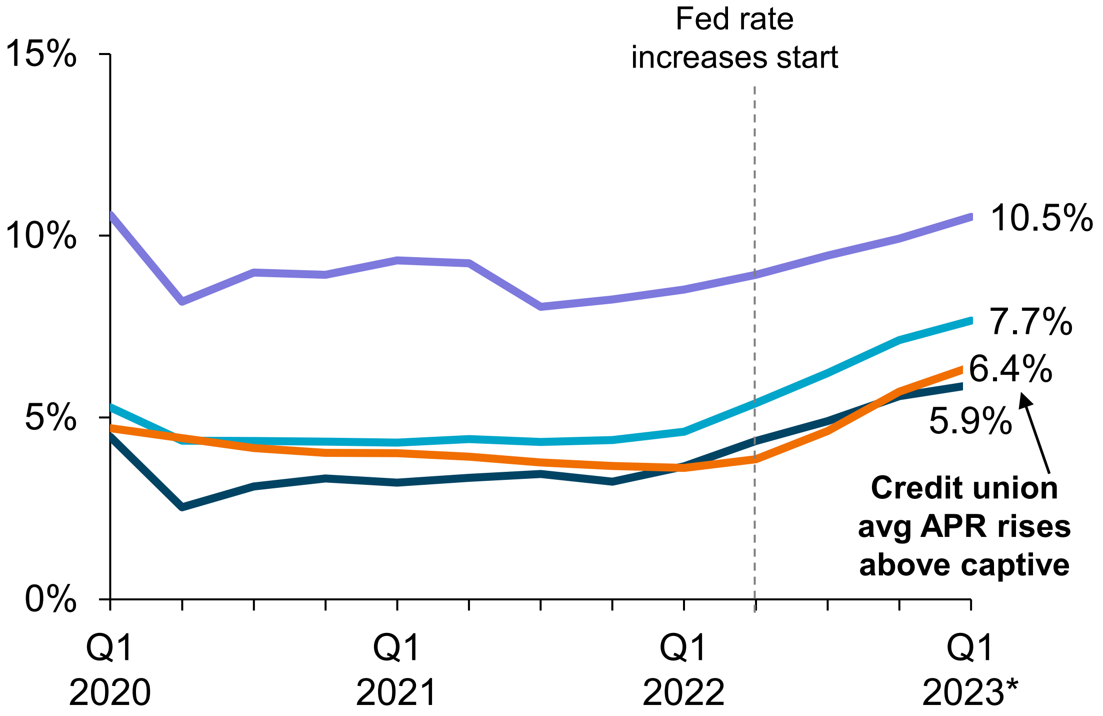
S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

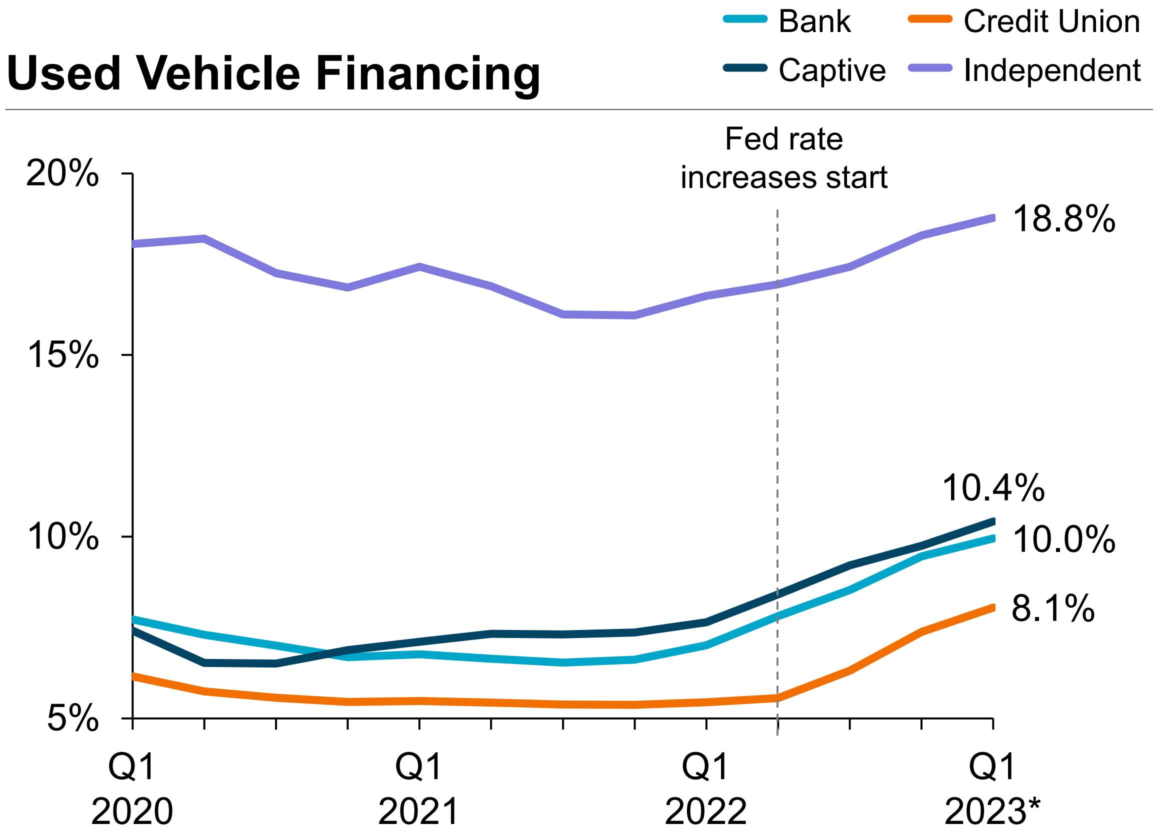
Average APR originated by captives for new vehicle loan originations is now lower than credit unions

Average APR by Lender Type (Loan Originations) – Q1 2020 to Q1 2023

New Vehicle Financing



Used Vehicle Financing



*Q1 2023 Reflects partial quarter data

S&P Global Mobility

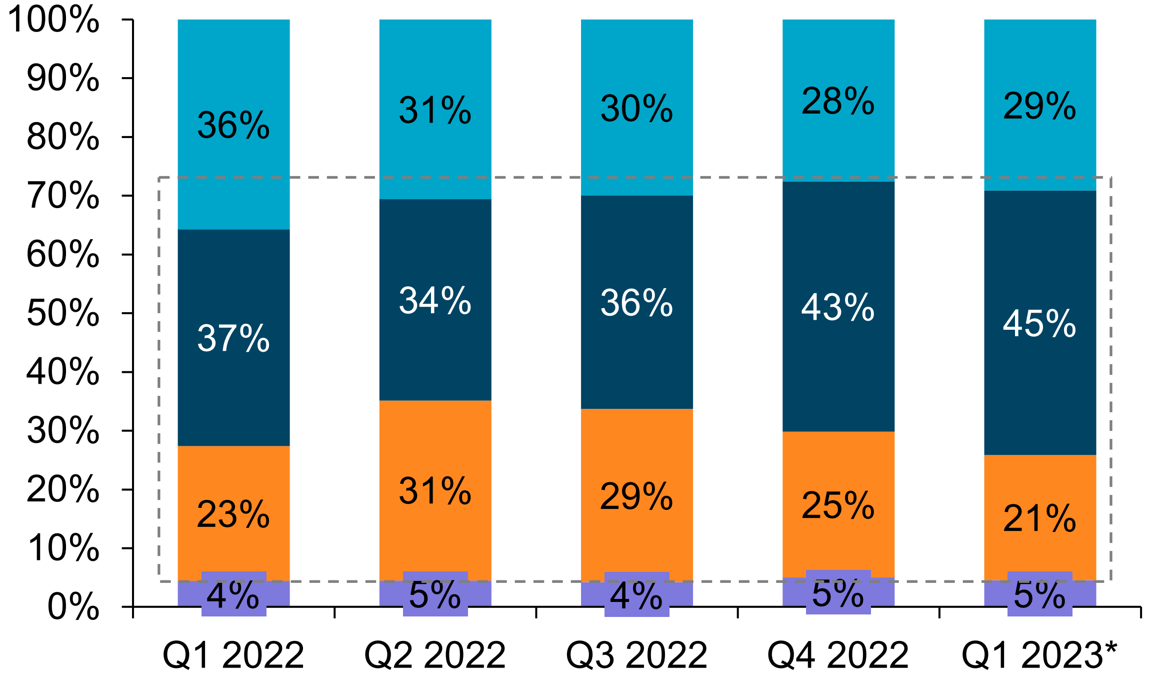
Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Captives regained new vehicle financing share from credit unions, however credit unions maintained higher share in the used market

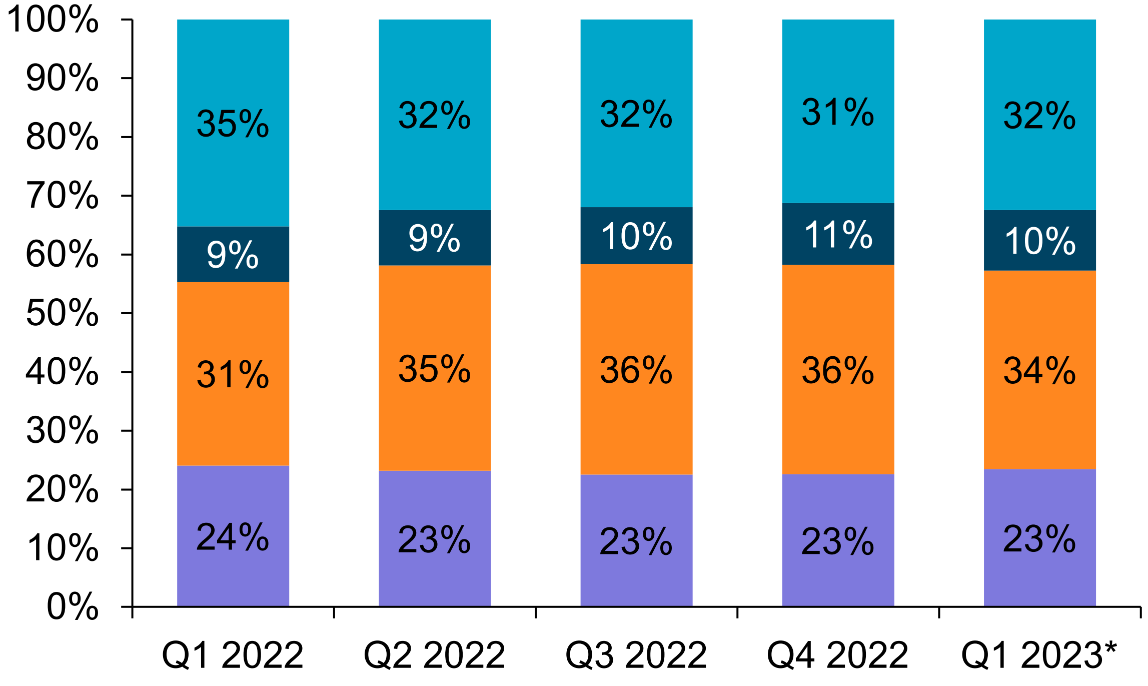
Market Share, Auto Loan Originations (Count) – Q1 2022 to Q1 2023

Bank
Credit Union
Captive
Independent

New Vehicle Financing



Used Vehicle Financing



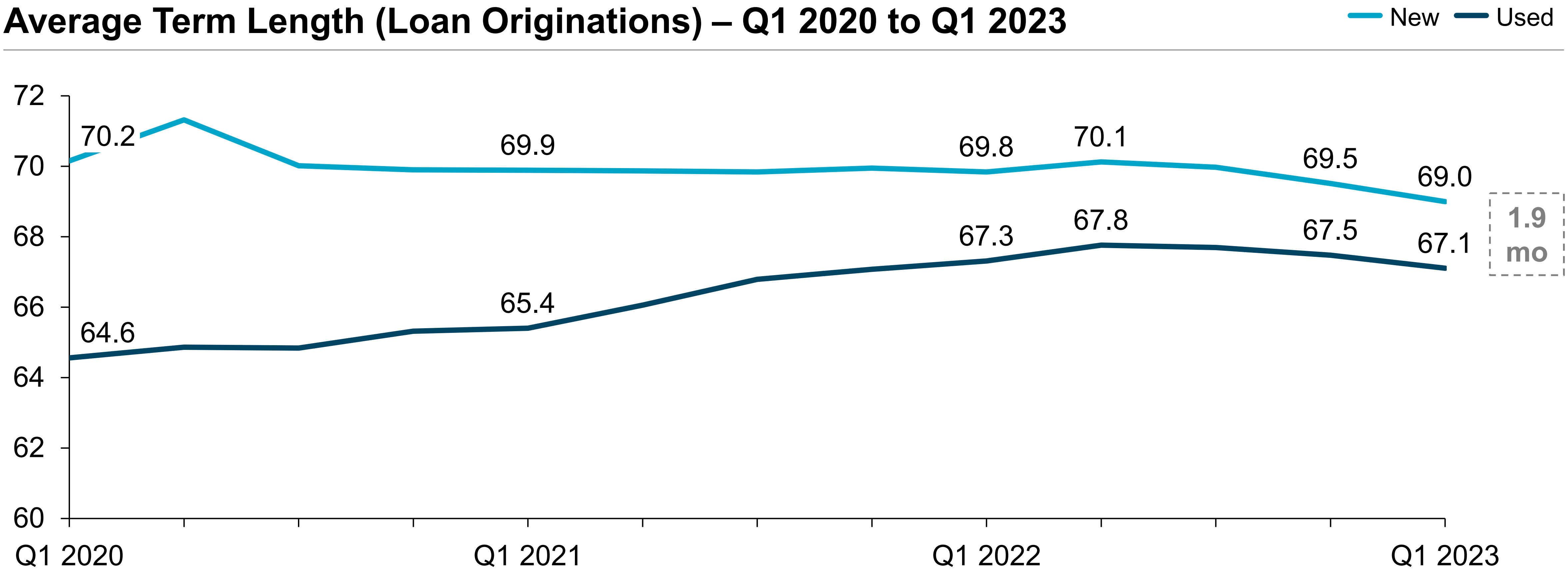
*Q1 2023 Reflects partial quarter data

S&P Global Mobility

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

The gap in the average loan term length between new and used vehicles is now less than 2 months as of Q1 2023

Average Term Length (Loan Originations) – Q1 2020 to Q1 2023

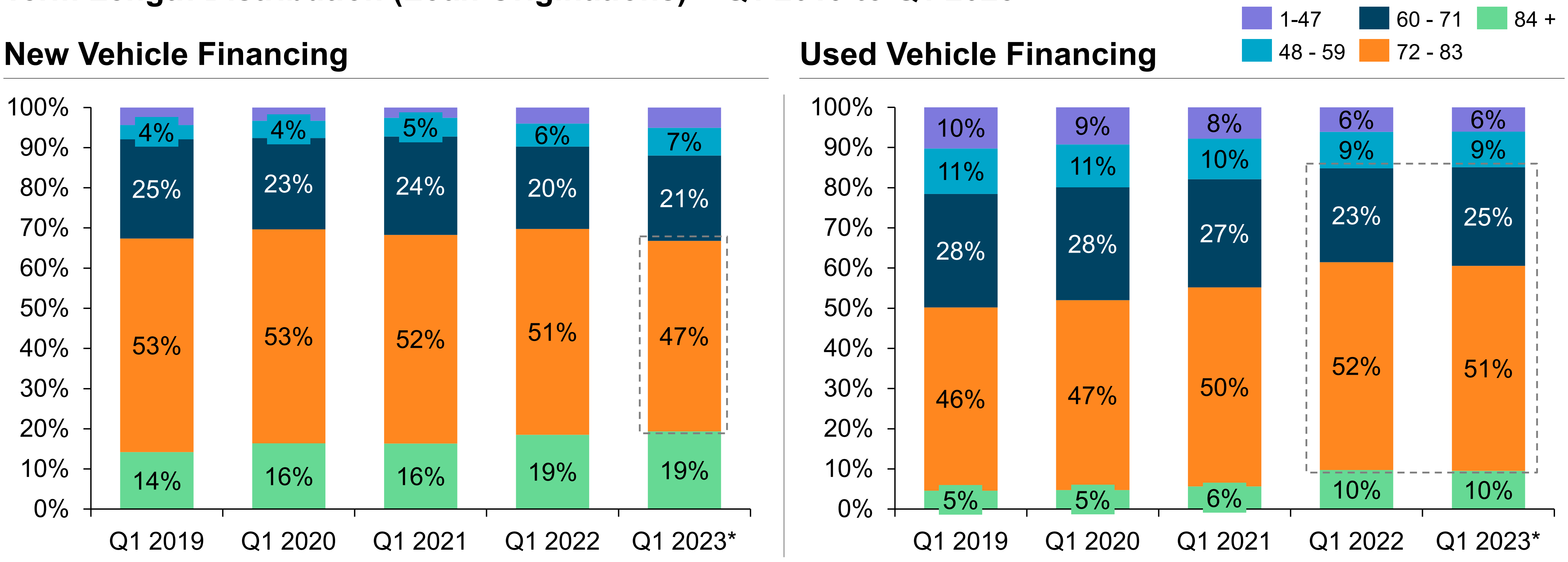


*Q1 2023 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

New vehicle originations saw a slight pullback in loans with 72 - 83 month terms, while used vehicle terms were relatively stable YoY

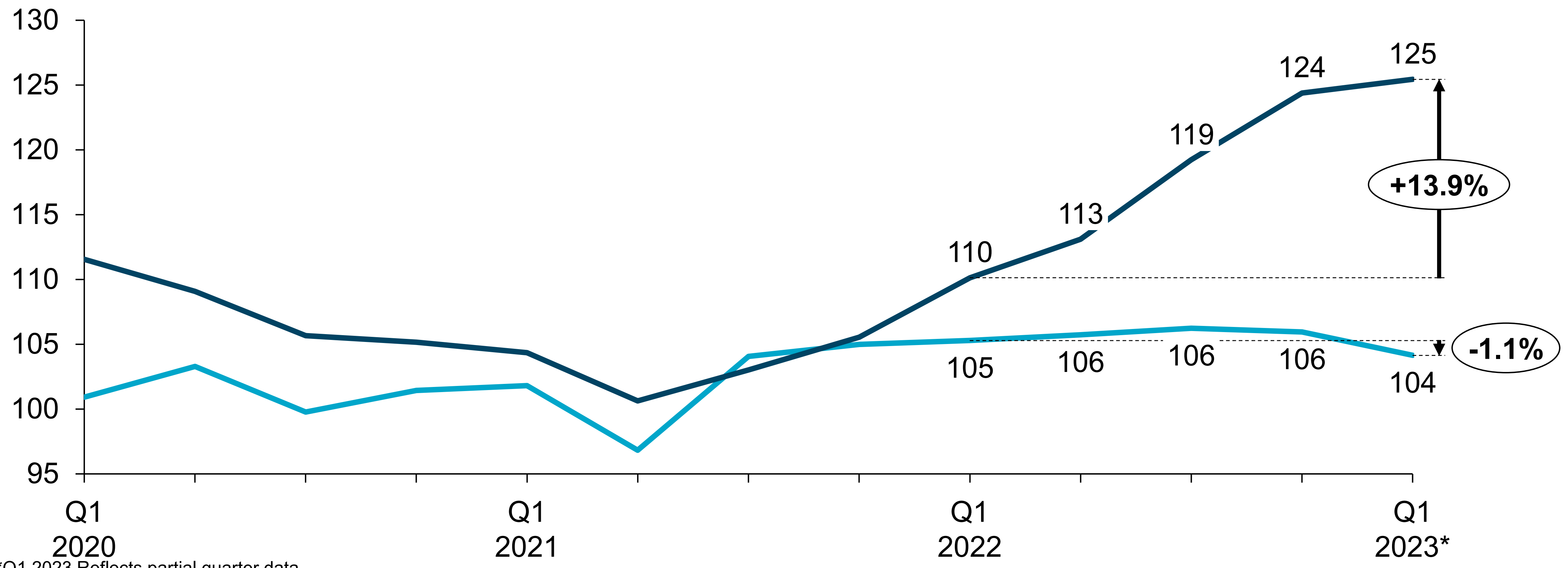
Term Length Distribution (Loan Originations) – Q1 2019 to Q1 2023



*Q1 2023 Reflects partial quarter data

Used vehicle average LTV's at origination remain 14% higher in Q1 2023 vs one year ago

Average Loan-To-Value (LTV) (Loan Originations) – Q1 2020 to Q1 2023

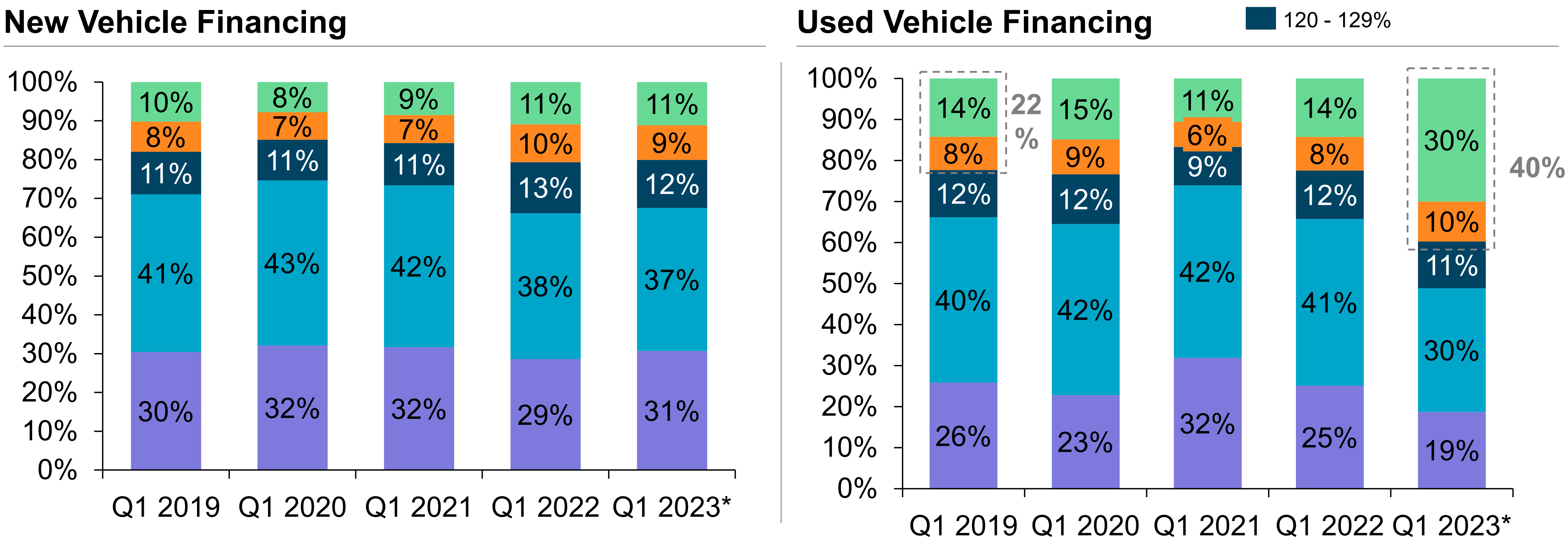


*Q1 2023 Reflects partial quarter data

Source: AutoCreditInsight by S&P Global Mobility, TransUnion

40% of used vehicle loans in Q1 originated with a starting LTV of 130%+, compared to only 22% in Q1 2019

LTV Distribution (Loan Originations) – Q1 2019 to Q1 2023



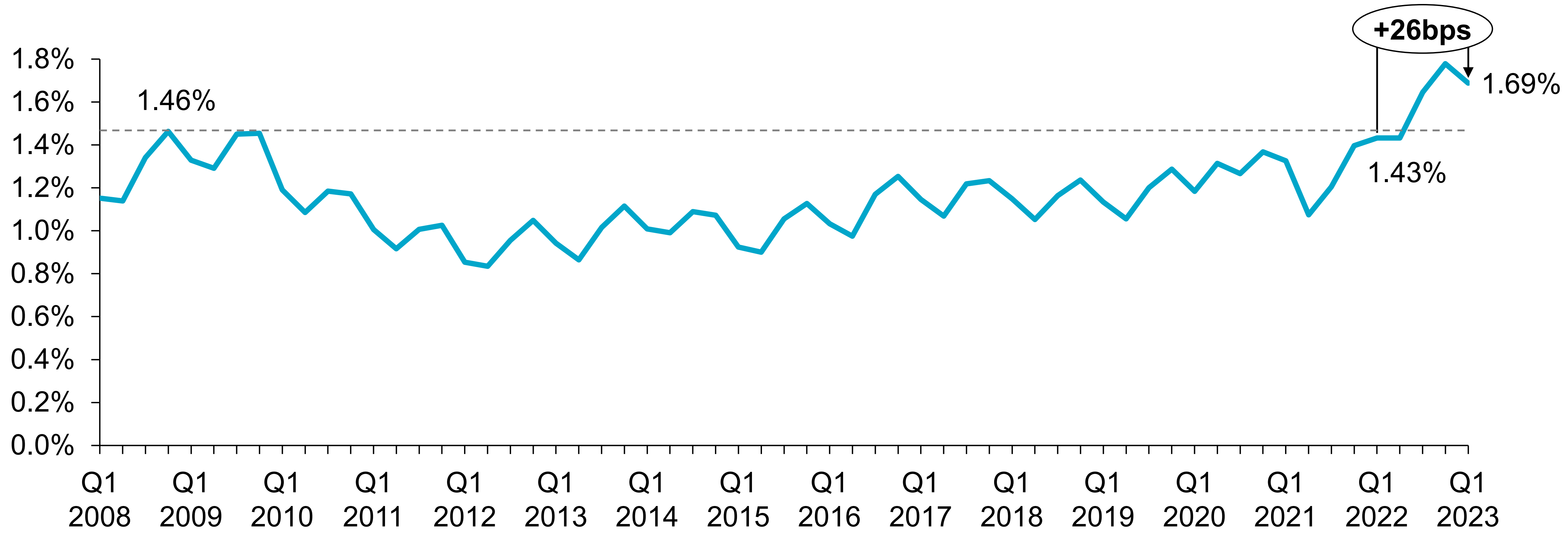
*Q1 2023 Reflects partial quarter data

Delinquencies

In Q1 2023, 60+ DPD (account level) **delinquencies climbed 26bps YoY** to 1.69%. But recent used vehicle vintages showed slight signs of improvement

60+ DPD account delinquency seasonally declined to 1.69%, but remains 26bps higher than Q1 2022 and 23bps above 2008 watermark

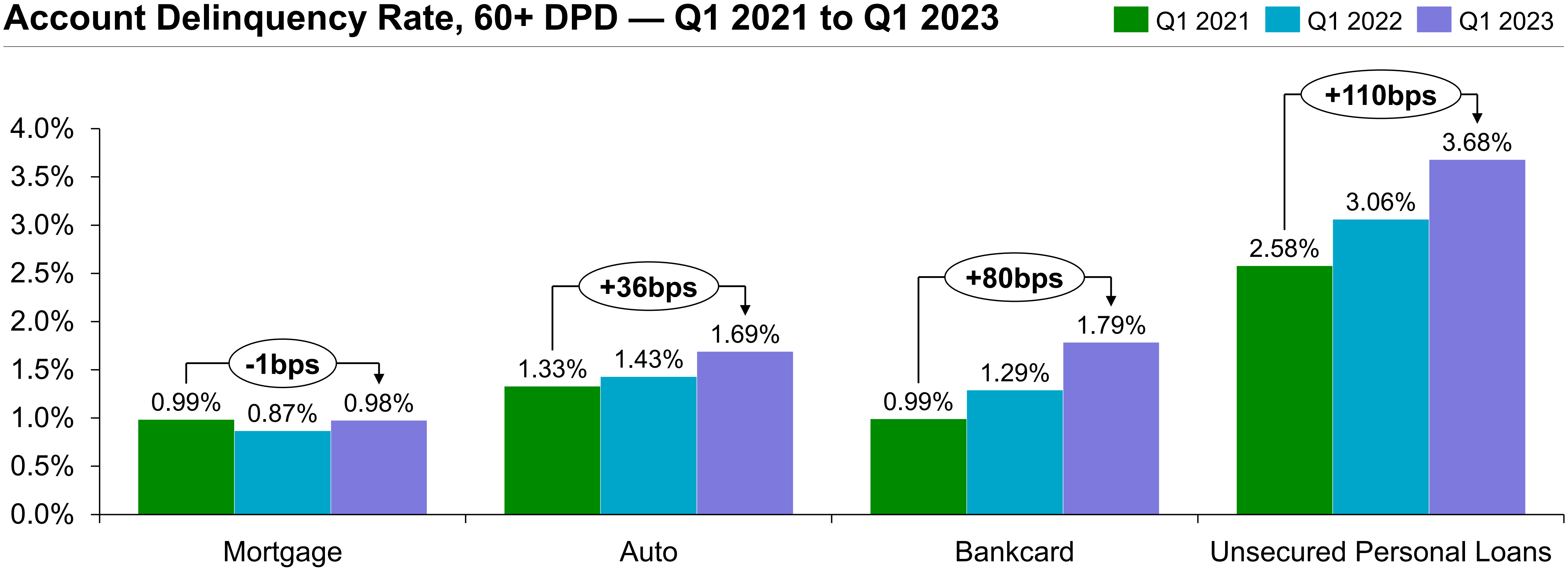
Account Delinquency Rate, 60+ DPD — Q1 2008 to Q1 2023



Source: TransUnion US consumer credit database

Account delinquency rates have increased across all products with the exception of mortgage, most dramatically for UPL

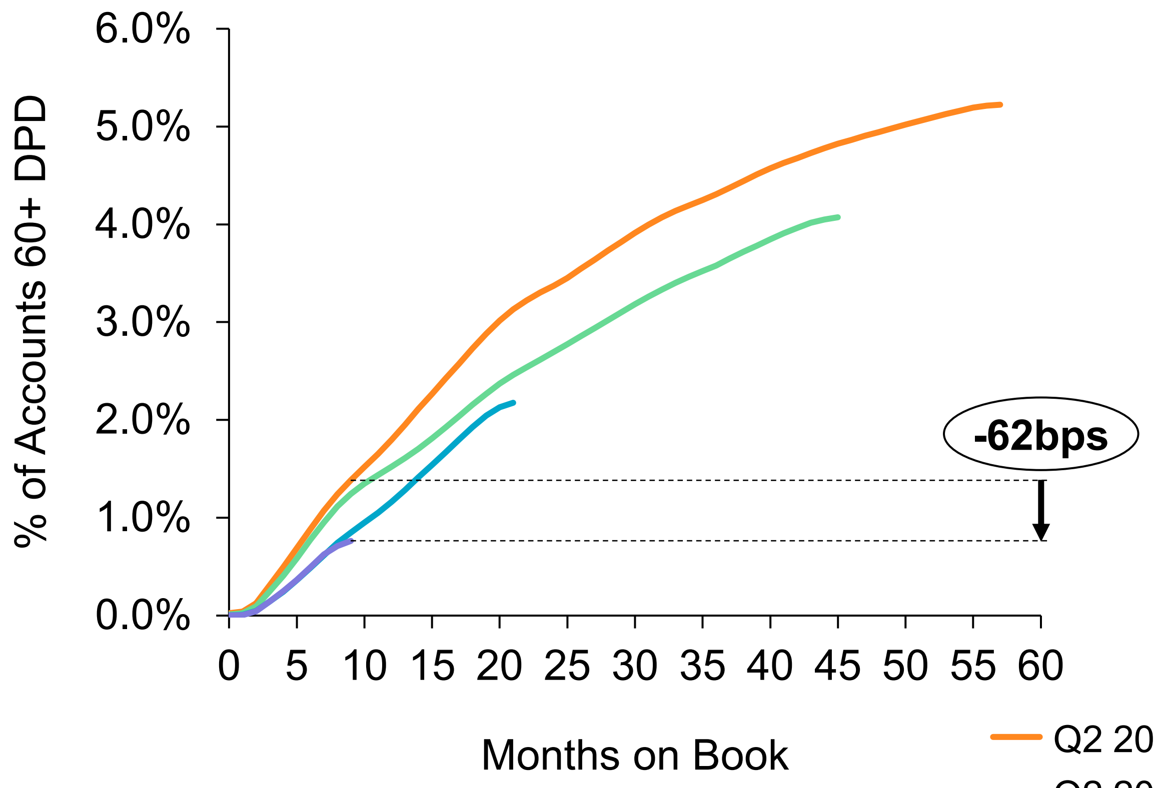
Account Delinquency Rate, 60+ DPD — Q1 2021 to Q1 2023



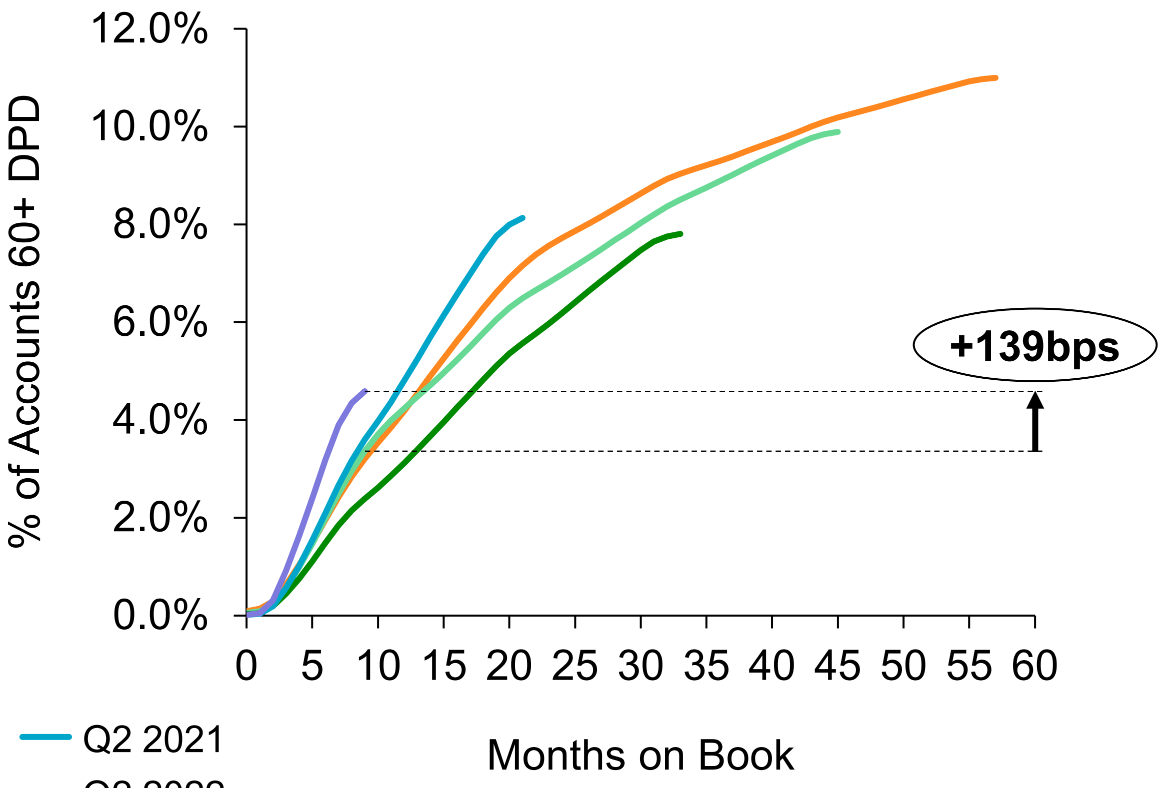
Source: TransUnion US consumer credit database

Loan performance of recent new vehicle vintages remains below 2019 levels, while used performance on recent vintages is elevated

Vintage Delinquency of New Auto Loans and Leases



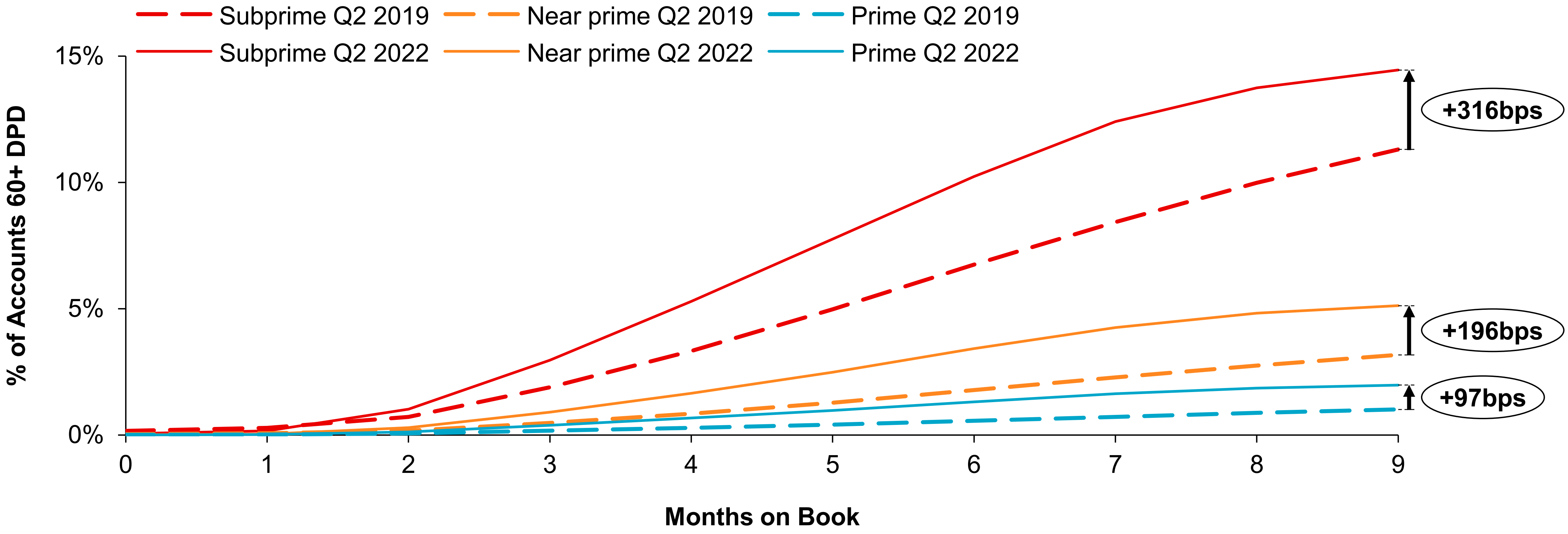
Vintage Delinquency of Used Auto Loans and Leases



Q2 2018 Q2 2021
Q2 2019 Q2 2022
Q2 2020

When controlled for credit risk, payment deterioration is most pronounced for below prime used vehicle originations

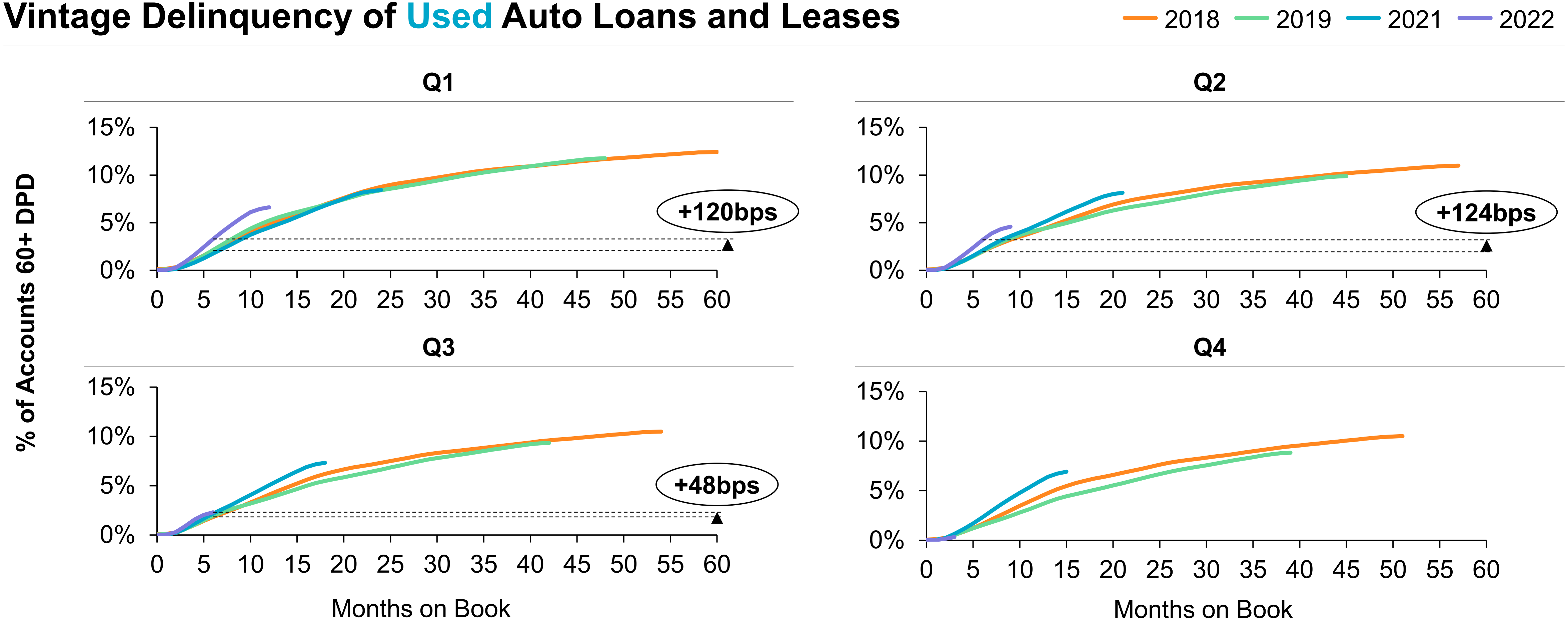
Vintage Delinquency of Used Auto Loans and Leases by Risk Tier



VantageScore® 4.0 risk ranges
Subprime = 300–600, Near prime = 601–660, Prime = 661–720, Prime plus = 721–780, Super prime = 781+

While 1H 2022 used vehicle vintages remain elevated compared to prior years, 2H 2022 vintages appear more in line with prior years

Vintage Delinquency of Used Auto Loans and Leases



S&P Global Mobility

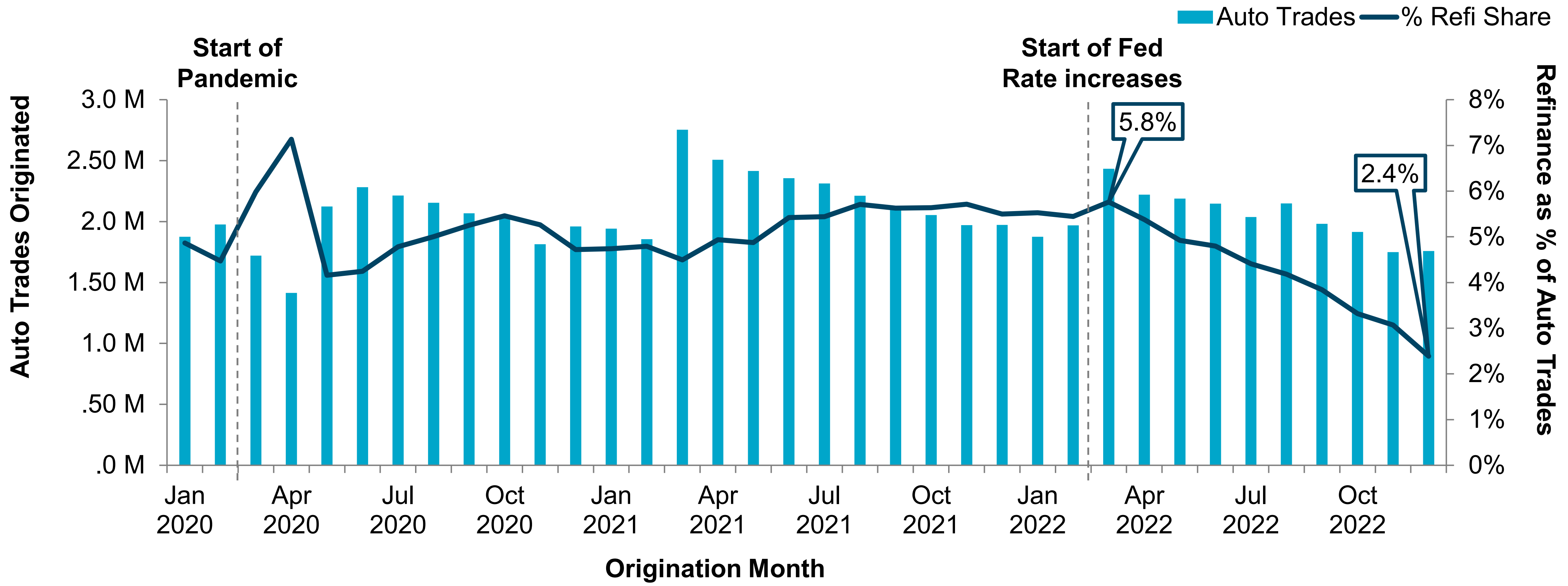
Source: AutoCreditInsight by S&P Global Mobility, TransUnion

Quarterly Spotlight – Auto Refinance Trends

While refi market share is down significantly, those remaining are primarily driven by lower monthly payments rather than APR savings

Refinanced auto loans as a percent of auto financing has dropped by half since the Fed started increasing rates in Q1 2022

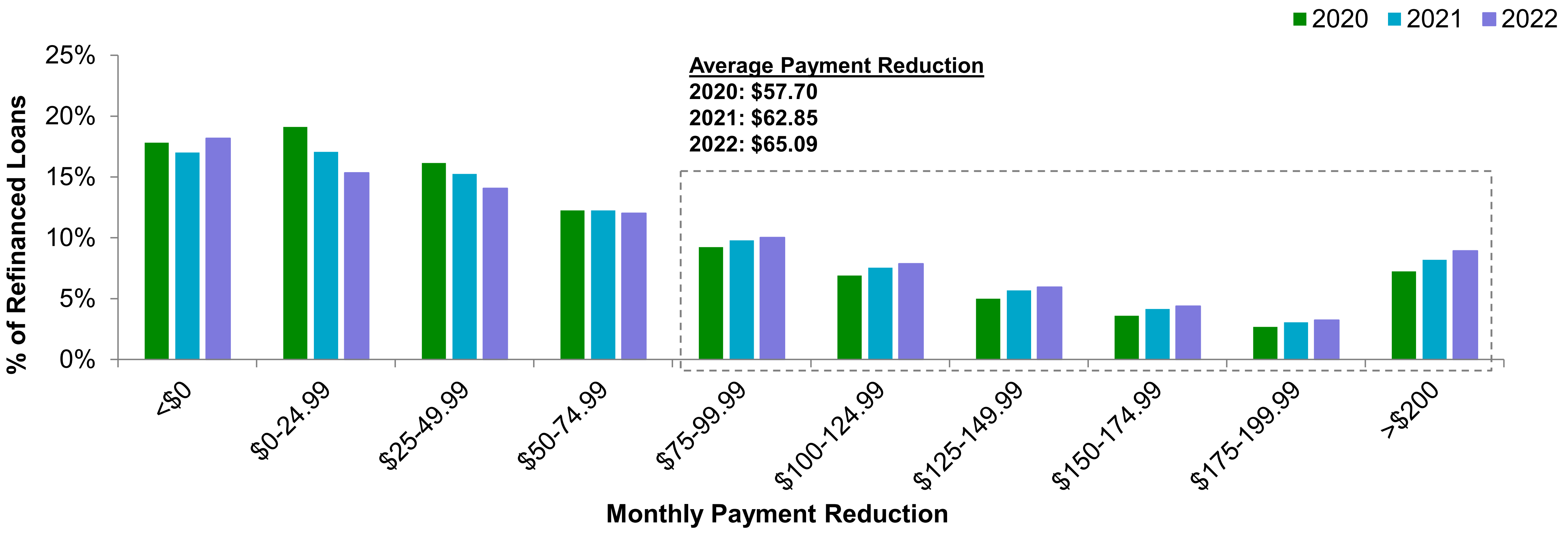
Auto Trade Originations (Refi Share)



Source: TransUnion US consumer credit database

The primary driver for recent refinancing is a reduction in monthly payment, with average monthly savings rising to $65 in 2022

% Auto Refinanced Loans by Monthly Payment Savings

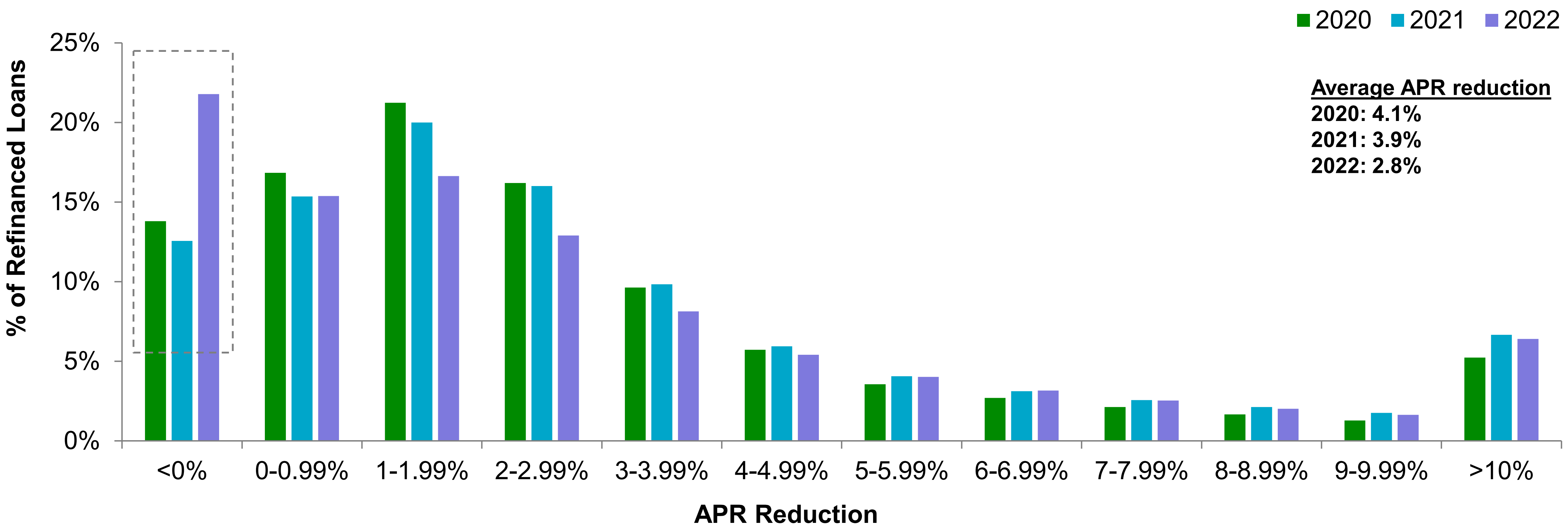


Note: Percentages don't sum to 100 due to rounding.

Source: TransUnion US consumer credit database

The average reduction in APR for auto refis dropped from 4.1% in 2020 to 2.8% in 2022, with many APRs *increasing* instead

% of Auto Refinanced Loans by APR Reductions

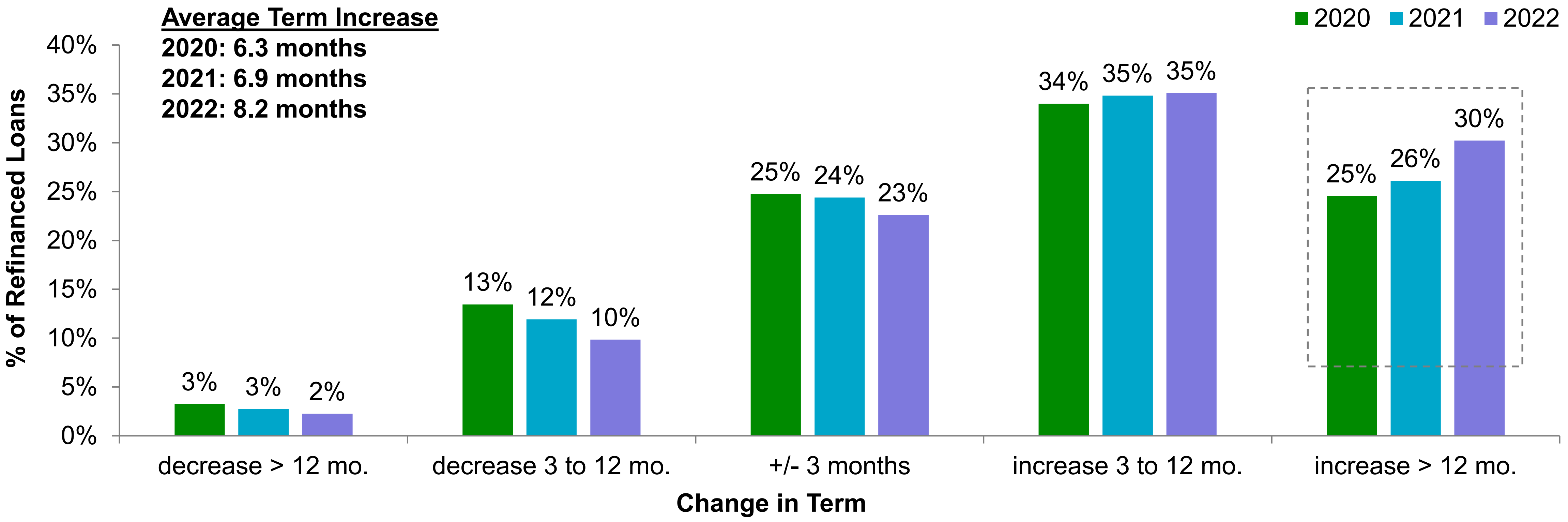


Note: Percentages don't sum to 100 due to rounding.

Source: TransUnion US consumer credit database

The share of consumers extending their monthly terms by 12 months or more rose from 25% of refis in 2020 to 30% in 2022

% of Auto Refinanced Loans by Change in Term



Source: TransUnion US consumer credit database

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