## MERIDIAN ECONOMICS

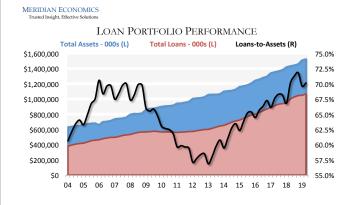
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INSIGHT

## TOTAL VEHICLE AND INDIRECT FINANCING

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VEHICLE FINANCING Total Loans - 000s (L) Vehicle Loans - 000s (L) Vehicle-to-Total Loans (R) \$1,000,000 50 5% \$900,000 48.0% \$800,000 45.5% \$700,000 43.0% \$600.000 40.5% \$500,000 38.0% \$400.000 35.5% \$300,000 33.0% \$200.000 30.5% \$100,000 28.0% 25.5% \$0 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18

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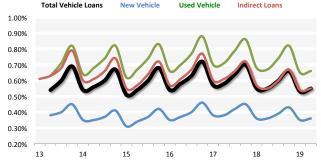
NEW AND USED VEHICLE LOAN ALLOCATION New Vehicle (Pct of Total Vehicle) Used Vehicle (Pct of Total Vehicle)

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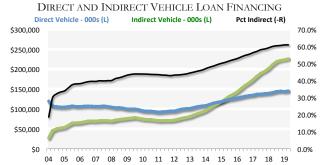
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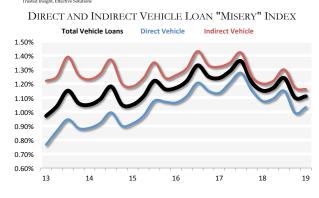
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August, 2019... Through Q2-2019, the industry's loans-to-assets ratio rose to 70.1% from the previous quarter's 69.6% as the pace in loan growth was slightly higher than the pace of asset growth ... The ratio of vehicle loans-to-total loans fell from 35.0% to 34.7% although the allocation between new and used vehicle loans was relatively unchanged (39.5% and 60.5%, respectivly).

The ratio of indirect-to-total vehicle loans was also unchanged relative to direct vehicle loans (60.9% and 39.1%, respectively) ... This is somewhat misrepresent due to not reporting vehicle leases as new or used vehicle loans ... Credit quality (measured by delinquency and "misery" indices) continue to follow cyclical trends with each vehicle loan components (total, new, used, direct, indirect loans).

**BRIAN TURNER** 

ASSESSMENT

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