

Lenders Need to Evolve as Auto Sales in Canada Move Online, J.D. Power FindsHyundai Motor Finance, TD Auto Finance and Honda Financial Services Rank Highest in Respective Segments

TORONTO: 13 May 2021 – After a full year of COVID-19 realities, auto dealerships and auto sales in Canada continue a rapid transformation toward online interactions and transactions. According to the J.D. Power 2021 Canada Dealer Financing Satisfaction Study,SM released today, 49% of Canadian dealerships saw an increase in online sales during the past year and 41% expect at least one-fifth of their sales to be digital in the next 12 months. This tectonic industry shift requires lenders to rapidly adapt to accommodate dealers' needs, including building digital platforms and channels to streamline and grow business opportunities.

"While most dealers recognize the many actions taken by lenders to support their businesses during the pandemic, in many instances, less than one-third of lenders executed on initiatives such as increased availability and support from sales reps and credit analysts that drive greater dealer satisfaction," says **Patrick Roosenberg, director of automotive finance at J.D. Power**. "Dealers also say 33% of non-captives and only 15% of captives provided online/digital credit application support/training. Lenders have a lot of room to improve in these areas if they want to protect and grow their business pipeline."

The study also highlights the important role sales representatives can and should have in cultivating lenders' digital business opportunities. According to the study dealers are looking to their reps to provide sales and technology training. However, less than 50% of sales reps exceed dealer expectations on this key performance indicator. As digital opportunities grow, sales reps and credit analysts need to become subject-matter experts to capture these opportunities.

"With an increasing number of auto sales moving to a full digital transaction model, lenders need to develop and launch digital platforms that enable the process from origination to funding—and be supported by the sales reps and credit analysts," Roosenberg said. "Our study shows that a lender who effectively responds to this shift by developing and offering a digital solution is poised for future success."

Study Rankings

Hyundai Motor Finance ranks highest in the retail—captive segment with a score of 901 (on a 1,000-point scale). **Honda Financial Services** (893) ranks second and **Ford Credit** (889) ranks third.

In the retail—non-captive segment, **TD Auto Finance** ranks highest for the fourth consecutive year, with a score of 917. **IA Auto Finance** (912) ranks second and **Scotiabank** (901) ranks third.

In the lease segment, **Honda Financial Services** ranks highest with a score of 912. **Kia Motors Finance** (906) ranks second and **Toyota Financial Services** (883) ranks third.

The 2021 Canada Dealer Financing Satisfaction Study, now in its 23rd year, captures 7,190 finance provider evaluations across the three segments from new-vehicle dealerships in Canada. The study was fielded in February 2021.

For more information about the Canada Dealer Financing Satisfaction Study, visit <https://canada.jdpower.com/financial-services/canada-dealer-financing-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2021048>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modelling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power is headquartered in Troy, Mich., and has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit JDPower.com/business.

Media Relations Contacts

Gal Wilder, Cohn & Wolfe; 416-602-4092; gal.wilder@cohnwolfe.ca

Nicole Herback, Cohn & Wolfe; 403-200-1187; nicole.herback@cohnwolfe.ca

Geno Effler, J.D. Power; West Coast; 714-621-6224; media.relations@jdpa.com

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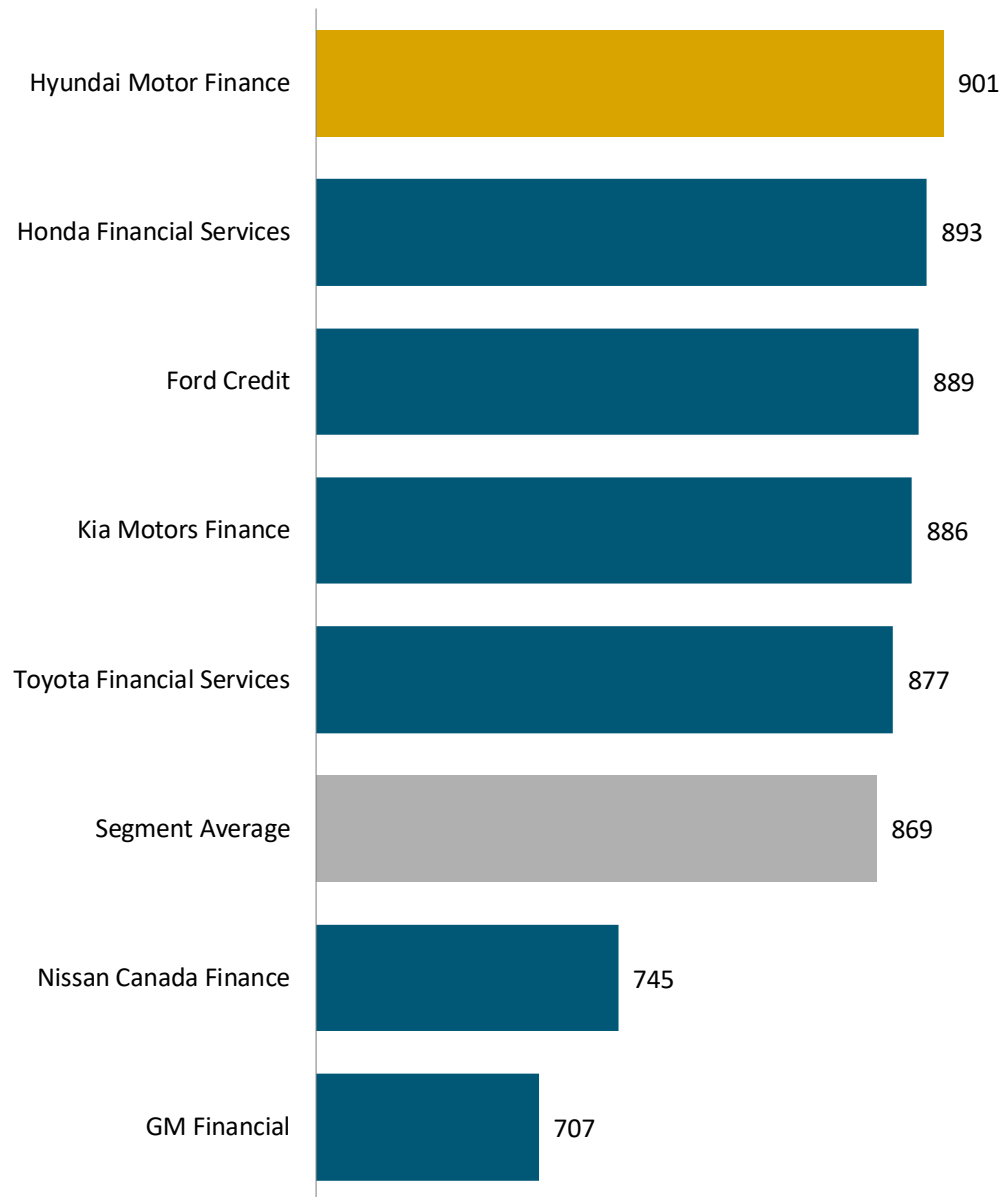
NOTE: Three charts follow.

J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Retail — Captive



Source: J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

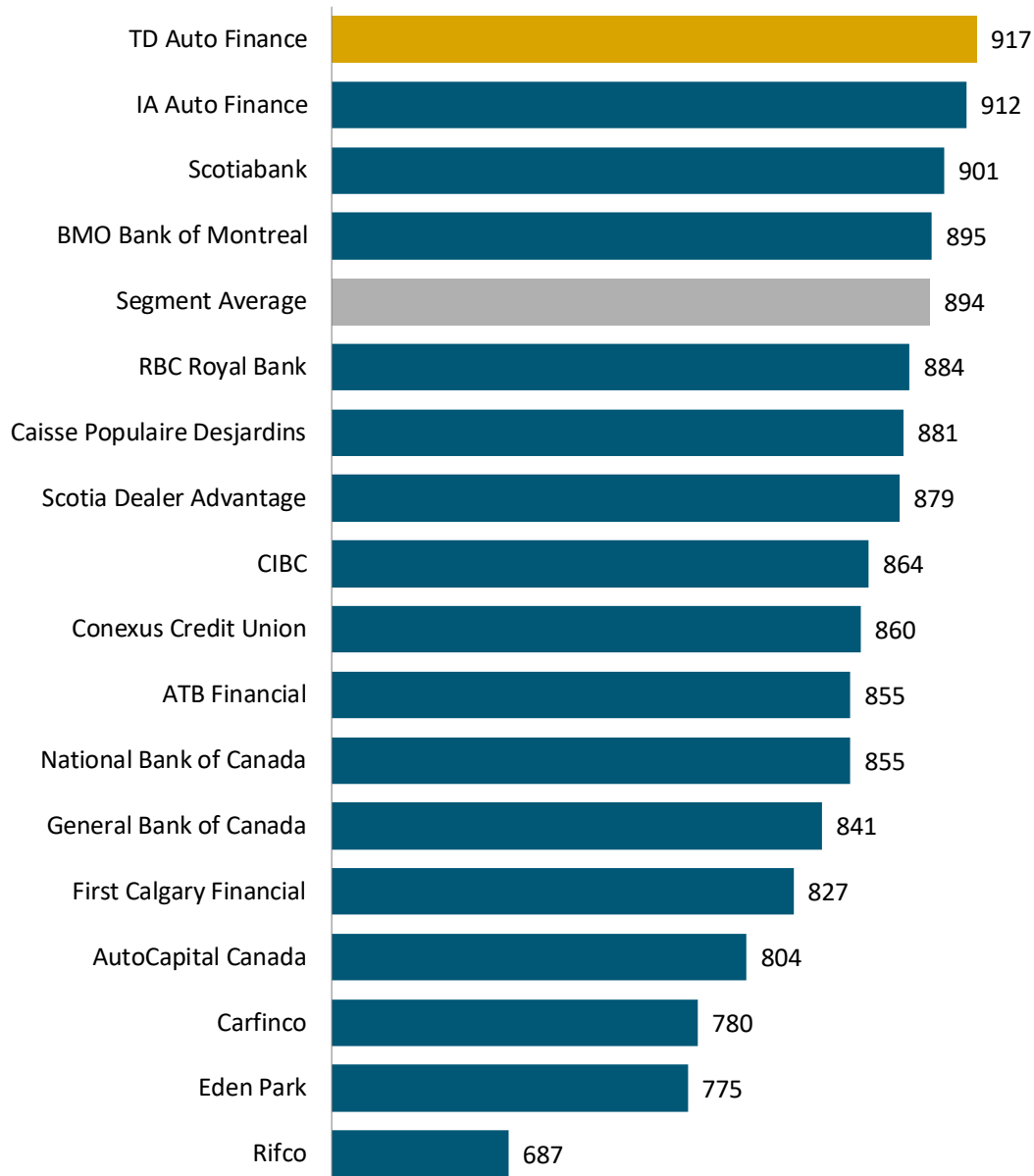
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J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Retail — Non-Captive



Source: J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

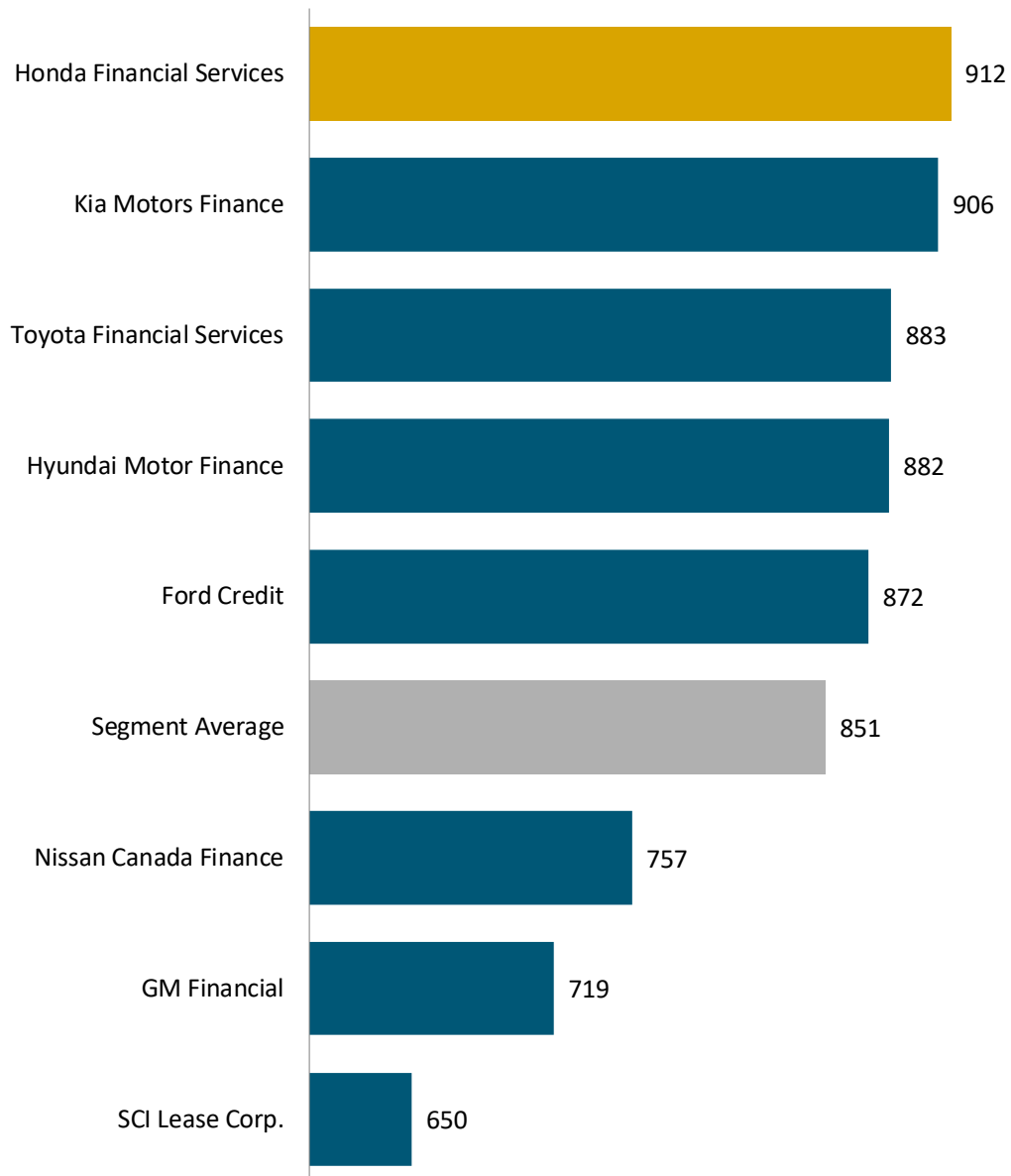
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J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Lease



Source: J.D. Power 2021 Canada Dealer Financing Satisfaction StudySM

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