Auto Finance

Automotive Finance Digital Transformation Index Q2 2025

Wolters Kluwer

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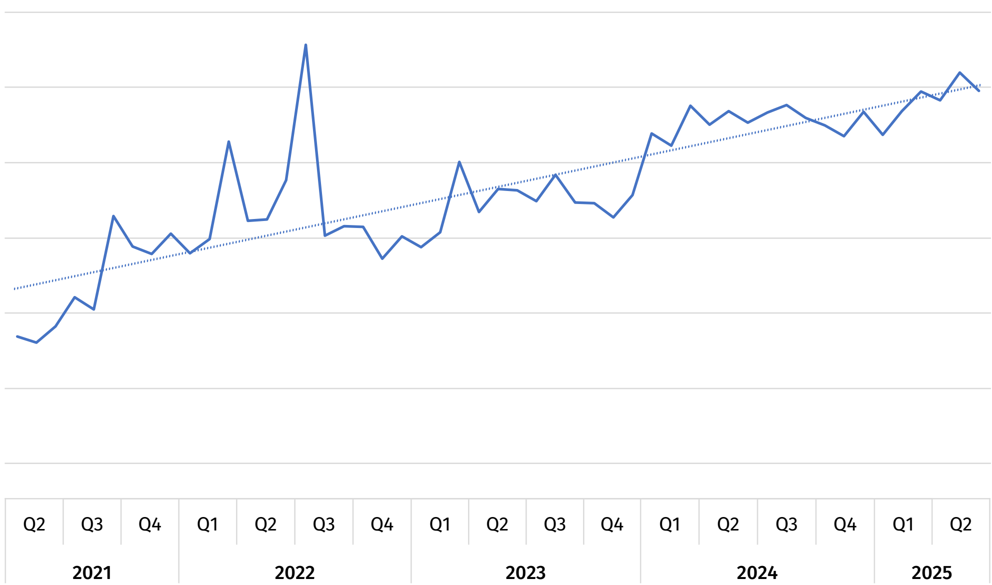
Wolters Kluwer, a global leader in professional information, software solutions, and services, announced the second-quarter 2025 analysis from its Auto Finance Digital Transformation Index, which tracks the rate at which the industry is advancing digitization from paper-based finance back-office processes. The results of the key resource mirror overall trends in the auto industry. While a significant upward trend was recorded in eContracting growth, digital adoption in the securitization market declined amid market uncertainty.

Auto industry revs up eContracting adoption

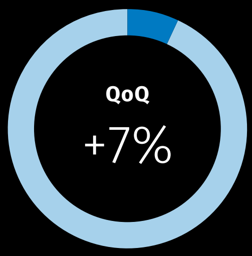
Auto dealers, service providers, and lenders continued on the road to digitization in the second quarter of 2025, with eContracting volumes increasing more than 7 percent over first-quarter deployments. In addition, a year-over-year surge of more than 9 percent was recorded compared to adoption rates in the same quarter of 2024. Even more, the four-year trend dating back to Q2 2021 increased more than 116 percent, underscoring the industry's recognition of the value of incorporating digitized contracting and documentation workflows to increase back-office efficiency.

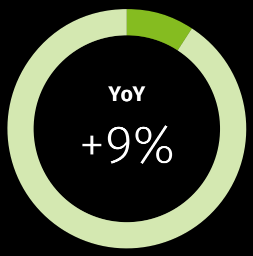
The second-quarter growth of eContracting adoption aligns with overall auto sales in the US during the same time period, with [Cox Automotive] reporting that new vehicle sales approached 15.3 million, up from 15 million in June 2024.

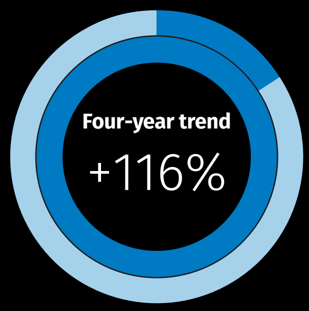
Digitization adoption growth Q2 2021 – Q2 2025



eContracting digital adoption rate





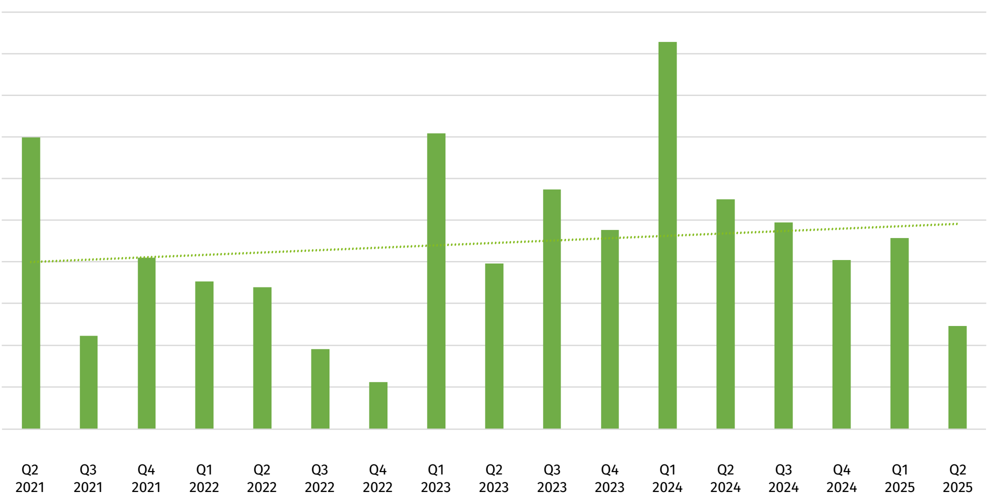


Adoption rates in auto securitization dip in Q2 but long-term growth remains positive

Although the four-year trend of digital adoption in the auto securitizations market remained positive with an overall increase of nearly 23 percent, there was a pronounced downturn in the second quarter of 2025, according to the Index. Not only did digitization deployments decrease 46 percent from the previous quarter, a decline of more than 55 percent was logged compared to the same quarter of 2024. Still, the positive four-year growth rate reflects that the market has grown considerably during this time period, even amid an array of fluctuations.

Months of market uncertainty was attributed to auto ABS issuance plummeting by more than 37 percent YOY to $9.8 billion in May, according to data published by JPMorgan Securities. Meanwhile, the firm's data showed that prime loan issuance fell 14.4 percent YoY to $31.5 billion year-to-date through May 16, while nonprime loan issuance rose 6.7 percent YoY to $17.4 billion.

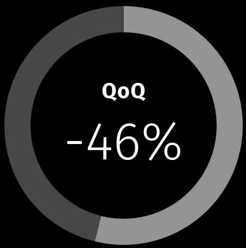
Auto securitization transactions by quarter

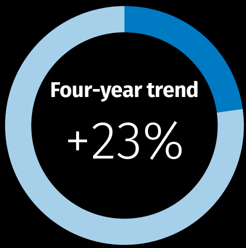


Matt Babcock
Digital Lending Product
Strategy for Wolters Kluwer

"The Q2 2025 Auto Finance Digital Transformation Index clearly underscores the imperative for digital workflow adoption in the auto industry. From significant operational efficiencies to enhanced customer experiences to faster transactions and reduced paperwork, digitization is providing the strategic advantages that are foundational to the future success and resilience of auto finance."

Securitization digital adoption rate





Summary

The Wolters Kluwer Auto Finance Digital Transformation Index helps identify and track adoption drivers, while providing insights into market shifts that may impact automotive industry digitization. Results of the Q2 2025 Index were mixed, with significant growth in eContracting adoption but decreased activity for digital advancement in securitizations.

About Wolters Kluwer Financial & Corporate Compliance

Wolters Kluwer (EURONEXT: WKL) is a global leader in information solutions, software and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2024 annual revenues of €5.9 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,600 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX, Euro Stoxx 50, and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the US (WTKWY).

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