




Have questions? Use the chat panel –  we'll field them during the Q&A session at the end of the call.



A Harland Clarke
Speaker Series

The Impact of Driverless Cars

June 28, 2018

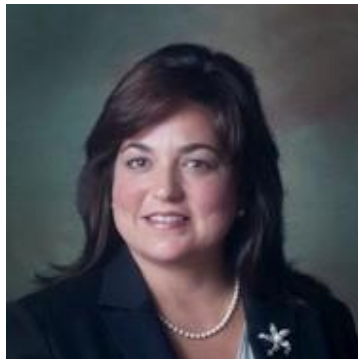
The content for this presentation was created by Amy Eagan. The views and opinions expressed herein are those of the author, Holly Fearing, and do not necessarily reflect those of Harland Clarke.

Presenters



Amy Eagan

Impact Manager
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Moderator

Sheila Easley

Director, Financial Services Division
Harland Clarke

THE BIG IDEA

Changing attitudes toward vehicle ownership and driving

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Advances in technology and infrastructure

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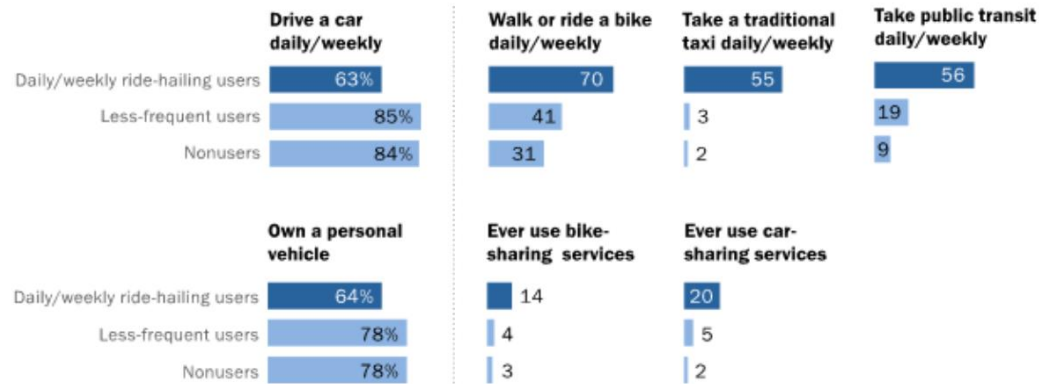
Could have a big impact on loan portfolios, non-interest income and membership/customer levels

Shift from "ownership" to "access"

- Vehicle leases are soaring—across vehicle makes and price points
- More drivers rely on ride hailing and short- and long-term car sharing
- Owning a car is no longer a key indicator of adulthood and independence.

Frequent ride-hailing users less likely to own or drive a car, more likely to use a range of other transit options

% in each group who ...



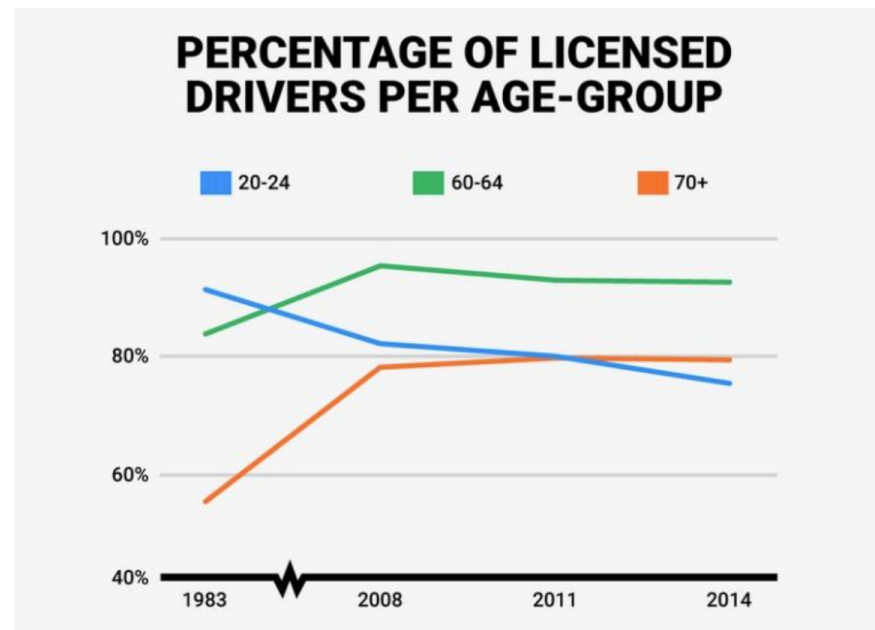
Source: Survey conducted Nov. 24-Dec. 21, 2015.

"Shared, Collaborative and On Demand: The New Digital Economy"

PEW RESEARCH CENTER

DECLINING DRIVERS LICENSES

- The percentage of adults with a driver's license has been shrinking annually in nearly every age category.
- One exception: drivers age 70+. For them, a driver's license means freedom and mobility.



Source: <http://www.horsepoweronline.com/2016/11/americans-show-declining-interest-in-drivers-licenses/percentage-of-licensed-drivers/>

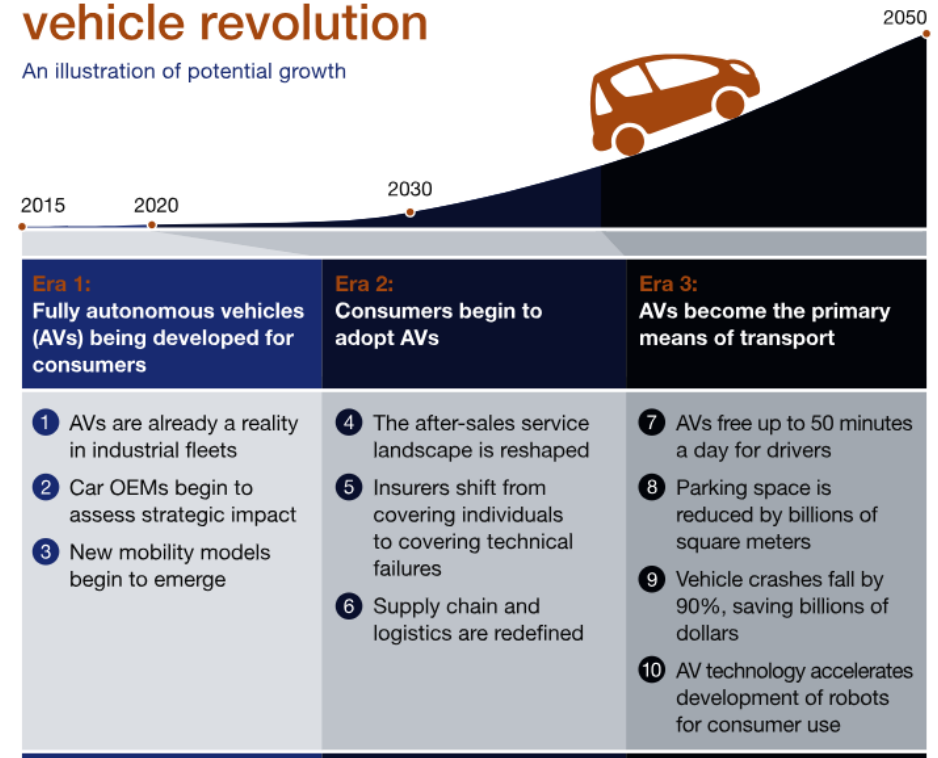
ADOPTION PREDICTED FOR 2050

Although autonomous vehicles *do* face hurdles ...
...many believe widespread adoption is nearly inevitable.

Exhibit

The self-driving vehicle revolution

An illustration of potential growth



<https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/t/>

McKinsey&Company

WHAT'S AT RISK?

The potential loss of:

- 35% (on average) of loan portfolios
- Non-interest income for complementary products (e.g., auto insurance and debt protection)
- A gateway product for new member relationships

<https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/ten-ways-autonomous-driving-could-redefine-the-automotive-world>

FINANCIAL INSTITUTION IMPLICATIONS

- **Prepare for a changing vehicle marketplace**
- **Get innovative with financing**—develop models for leasing and car sharing
- **Create new insurance offerings**—meet consumers' changing vehicle insurance needs
- **Research the fleet market**—experiment with a pivot away from individual ownership toward fleet models
- **Leverage reputation for cooperation and trust**—these are critical differentiators in the access economy

Q&A

Type your question in the chat panel 

Amy Eagan
Impact Manager

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Thank You!

