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Demand for Auto Asset Backed Security (ABS) Market is forecasted to reach a value of US $396.18 billion by 2029

The Business Research Company's Demand for Auto Asset Backed Security (ABS) Market is forecasted to reach a value of US $396.18 billion by 2029

The Business Research Company

LONDON, GREATER LONDON, UNITED KINGDOM, August 29, 2025 /EINPresswire.com/ -- "Get 30% Off All Global Market Reports With Code ONLINE30 – Stay Ahead Of Trade Shifts, Macroeconomic Trends, And Industry Disruptors

How Large Will The Auto Asset Backed Security (ABS) Market Be By 2025?
The size of the auto asset-backed security (ABS) market has seen significant growth in the past few years. It is set to expand from $258.72 billion in 2024 to $282.45 billion in 2025, showing a compound annual growth rate (CAGR) of 9.2%. The robust growth during the historic period is due to factors such as an increase in auto loan creations, the rise in used vehicle financing, improved securitization structures, a greater demand for financing options, and a surge in vehicle sales.

> It will grow to $396.18 billion in 2029 at a compound annual growth rate (CAGR) of 8.8%."
>
> *The Business Research Company*

Anticipations are high for the automobile asset backed security (ABS) market as it is projected to experience robust growth in the years to come. The market is forecasted to reach a value of $396.18 billion in 2029, growing at a compound annual growth rate (CAGR) of 8.8%. This expected growth in the coming years is thought to be driven by factors such as escalating car prices, increased volatility in interest rates, tighter monetary policies, the continuous shift towards digitization, the growing need for loans and leases, and the rising demand for auto financing. Key trends anticipated throughout this forecast period encompass technological progress, enlargement of auto loan options, advancements in ultrasound technology, novelty in vehicle finance product offerings, and widening of subprime lending.

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What Are The Major Driving Forces Influencing The Auto Asset Backed Security (ABS) Market Landscape?

Expectations for the growth of the auto asset-backed security (ABS) market are being driven by the mounting necessity and appeal of vehicle financing. Through loans or lease agreements provided by banks, dealerships, or auto finance companies, prospective vehicle owners can procure the funds needed to buy a car. This growing interest in vehicle loans is spurred on by factors such as rising vehicle costs, expanding consumer needs for personal vehicles, and the option of low-interest, flexible repayment plans. Increased vehicle financing transitions directly into a surge of auto loans, which are typically grouped and converted into auto ABS to offer loan providers diverse risk and liquidity options. As an example of this growing trend, the Motorsport Network, in March 2022, noted that there was a 47% rise in new private cars financed in January in comparison to 2021, with 54,000 vehicles financed through this method. Consequently, the demand in vehicle financing looks set to drive the expansion of the auto ABS market. Furthermore, the popularity of electric vehicles is also anticipated to significantly contribute to the growth of the auto ABS market. Powered with electric motors and rechargeable batteries instead of diesel or gasoline engines, electric vehicles offer a greener transportation option with zero tailpipe emissions, effectively combating air pollution and greenhouse gas emissions. In this scenario, the auto ABS are crucial for the expansion of affordable electric vehicle financing as these securities allow for automakers and finance providers to bundle EV loans or leases into tradable securities. As an illustration, data from the France-based International Energy Agency (IEA) stated that in 2023, electric car sales saw a rise of 3.5 million units from the previous year, marking a 35% yearly increase and accounting for 18% of 2023's total car sales, up from 14% in 2022. With these factors in consideration, the increase in electric vehicles is expected to propel the growth of the auto asset-backed security (ABS) market.

Who Are The Top Players In The Auto Asset Backed Security (ABS) Market?

Major players in the Auto Asset Backed Security (ABS) Global Market Report 2025 include:

• BMW Group
• Citigroup Inc.
• Tesla Inc.
• BNP Paribas SA
• Porsche Financial Services Inc.
• Mizuho Bank Ltd.
• Carvana Co.
• General Motors Financial Company Inc.
• Guangzhou Xiaopeng Motors Technology Co. Ltd.
• Credit Acceptance Corporation

What Are The Key Trends Shaping The Auto Asset Backed Security (ABS) Industry?

Key players in the auto asset-backed security (ABS) market are emphasizing on creating innovative strategies like sustainable finance solutions. Such solutions are essentially financial services and products that back economically viable activities. They also take into account environmental, social, and governance (ESG) factors to promote sustained and responsible growth in the long run. For example, in July 2024, Mercedes-Benz Auto Finance Ltd., a company based in China known for its adaptable and customized auto finance services, initiated its premiere Green Auto Loan Asset-Backed Security (ABS) in the Chinese Interbank Bond Market. The Class A Notes being valued at $116.36 million have an average life of 1.42 years and a coupon rate of 1.87%. It is noteworthy that this is the first Green ABS launched by Mercedes-Benz worldwide. This also marks the debut of a foreign car manufacturer introducing a Green Asset-Backed Security in the Chinese market, with the revenues being used to finance new vehicle loan agreements for battery electric cars.

Market Share And Forecast By Segment In The Global Auto Asset Backed Security (ABS) Market
The auto asset backed security (abs) market covered in this report is segmented –

1) By Type: Auto Loan Asset-Backed Security, Auto Finance Leasing Asset-Backed Security, Auto Operating Lease Asset-Backed Security, Other Receivables Asset-Backed Security
2) By Securitization Structure: Traditional Asset-Backed Security, Structured Asset-Backed Security
3) By Application: Automobile Manufacturers, Commercial Banks, Investment Banks, Trust Plans
4) By End User: Pension Funds, Insurance Companies, Hedge Funds, Asset Management Firms, Non-Banking Financial Companies (NBFCs)

Subsegments:
1) By Auto Loan Asset-Backed Security: Prime Auto Loan ABS, Subprime Auto Loan ABS, Near-Prime Auto Loan ABS, New Vehicle Loan ABS, Used Vehicle Loan ABS, Fixed Rate Auto Loan ABS, Floating Rate Auto Loan ABS, Captive Finance Auto Loan ABS, Non-Captive Lender Auto Loan ABS, Dealer Floorplan Loan ABS
2) By Auto Finance Leasing Asset-Backed Security: New Car Finance Lease ABS, Used Car Finance Lease ABS, Closed-End Lease ABS, Open-End Lease ABS, Manufacturer-Sponsored Lease ABS, Independent Lessor Lease ABS, Captive Finance Lease ABS, Balloon Payment Lease ABS, High Residual Risk Lease ABS, Subprime Auto Lease ABS
3) By Auto Operating Lease Asset-Backed Security: Fleet Vehicle Lease ABS, Commercial Auto Lease ABS, Short-Term Operating Lease ABS, Subscription-Based Mobility ABS, EV Operating Lease ABS, Ride-Share Vehicle Lease ABS, OEM-Backed Operating Lease ABS, Residual Value Insurance-Backed Lease ABS, Used Vehicle Operating Lease ABS, Vehicle-as-a-Service (VaaS) ABS
4) By Other Receivables Asset-Backed Security: Auto Repair Finance Receivables ABS, Extended Vehicle Warranty ABS, GAP Insurance Receivables ABS, Vehicle Service Contract ABS, Auto Title Loan Receivables ABS, Auto Parts Financing ABS, Dealer Services Fee Receivables ABS, Roadside Assistance Membership ABS, Buy-Here Pay-Here Receivables ABS, Telematics/Usage-Based Insurance Receivables ABS

View the full auto asset backed security (abs) market report:
https://www.thebusinessresearchcompany.com/report/auto-asset-backed-security-abs-global-market-report

Auto Asset Backed Security (ABS) Market Regional Insights
The Auto Asset Backed Security (ABS) Global Market Report 2025 identified North America as the leading region in 2024. It is projected that the fastest growth will occur in the Asia-Pacific region. The report includes coverage of regions such as Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, and Africa.

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