



ABC FINANCE: Monitoring Reports as at January 2006

Commentary

Key Statistics

SUMMARY								
	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03
Accept Rate	32.38%	30.99%	30.65%	38.13%	41.94%	44.93%	40.18%	43.42%
Accepts(completed)	543	373	336	413	502	690	981	1197
Application Volume	1678	1203	1096	1083	1197	1535	2441	2757
Lowside Override Rate	1.01%	0.81%	1.35%	4.95%	3.05%	7.09%	7.82%	6.96%
NTU rate	27.60%	25.49%	28.28%	54.49%	59.75%	62.36%	62.72%	62.82%
Reject Rate (All)	67.62%	69.01%	69.35%	61.87%	58.06%	55.07%	59.82%	56.58%
Reject Rate (Policy)	32.47%	32.01%	35.13%	32.32%	31.74%	29.65%	34.01%	33.73%

- Acceptance and NTU rates continue at the same rate since the change in April 2003
- Application volumes and completions have increased over the last two months. This was identified last month as resulting from the new Dealers taken on. Ad-hoc reports have been undertaken separating these new Dealers out from the existing Dealers; these reports can be located on decisionMI.decisionmetrics.co.uk/ABC_Finance.html.
- Whilst Reject Rate (Policy) remains unchanged the Lowside Override Rate continues to track on recent levels despite the introduction of tighter override levels introduced in mid July 2003.

Scorecard Monitoring

- Warnings
 - There has been a dramatic change in the distribution of accepts from the development sample; this is not supported by a change in the application distribution. This reflects the change in cut-off levels and referral levels introduced three months ago.
 - As expected the bad rates by score have decreased dramatically when compared to the development sample. This was identified in the 'Dynamic Delinquency' reporting four months ago which led to the strategic review of cut-off levels and referral policy.

- Overall the scorecard continues to rank risk well and individual scored criteria show no significant distribution or predictive power changes from the development sample.

Portfolio Monitoring

- Warnings
 - None
- Characteristic & Application trends show no unusual patterns within any of the key scored and non-scored criteria. Profiles continue as expected with trends over the last four months very similar.
- The Dynamic Delinquency does not show any significant trends at present, however, we would expect to see the last three months tranches to show higher delinquency levels to reflect the dramatic increase in acceptance rates.

Enhancements

- Basel IRB Credit Rating tracking will go 'live' as from next month.
- AffordabilityMetric tracking will go 'live' as from next month.