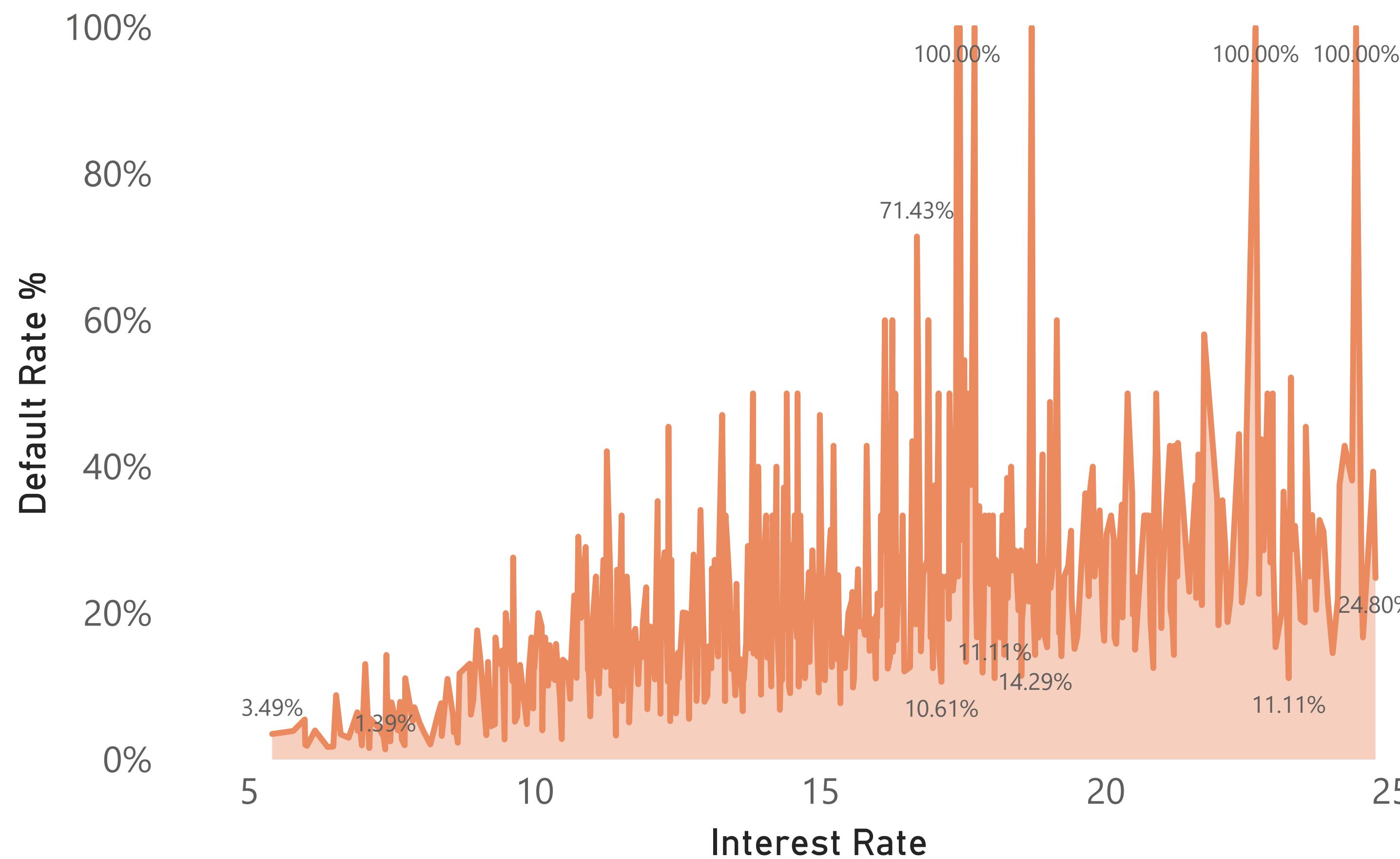


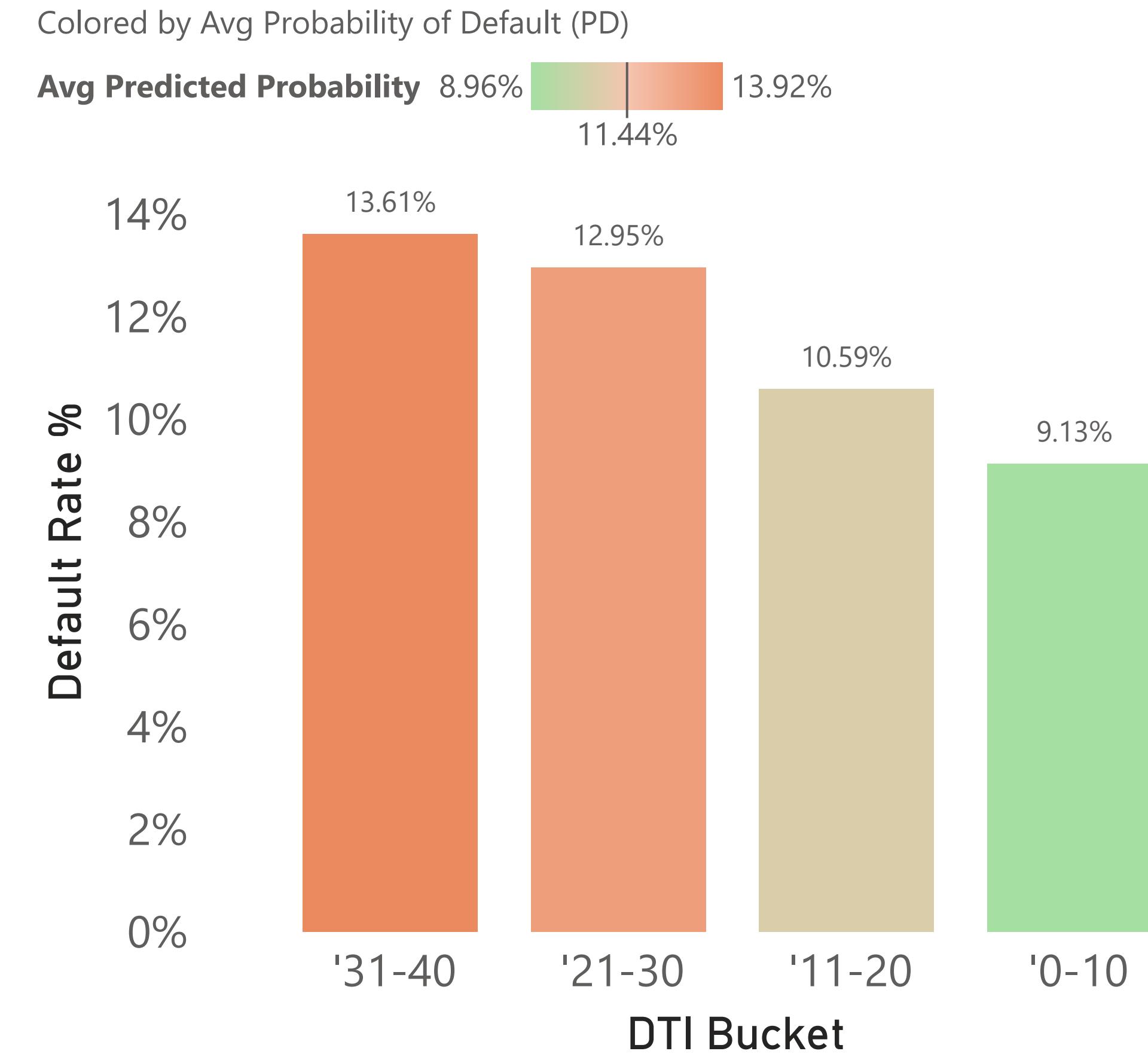
# Credit Risk Analysis - Default Patterns & Drivers

Examining Risk Variation Through Interest-Rate Effects, DTI Segmentation, Vintage Behaviour and Predicted Probabilities By Grade

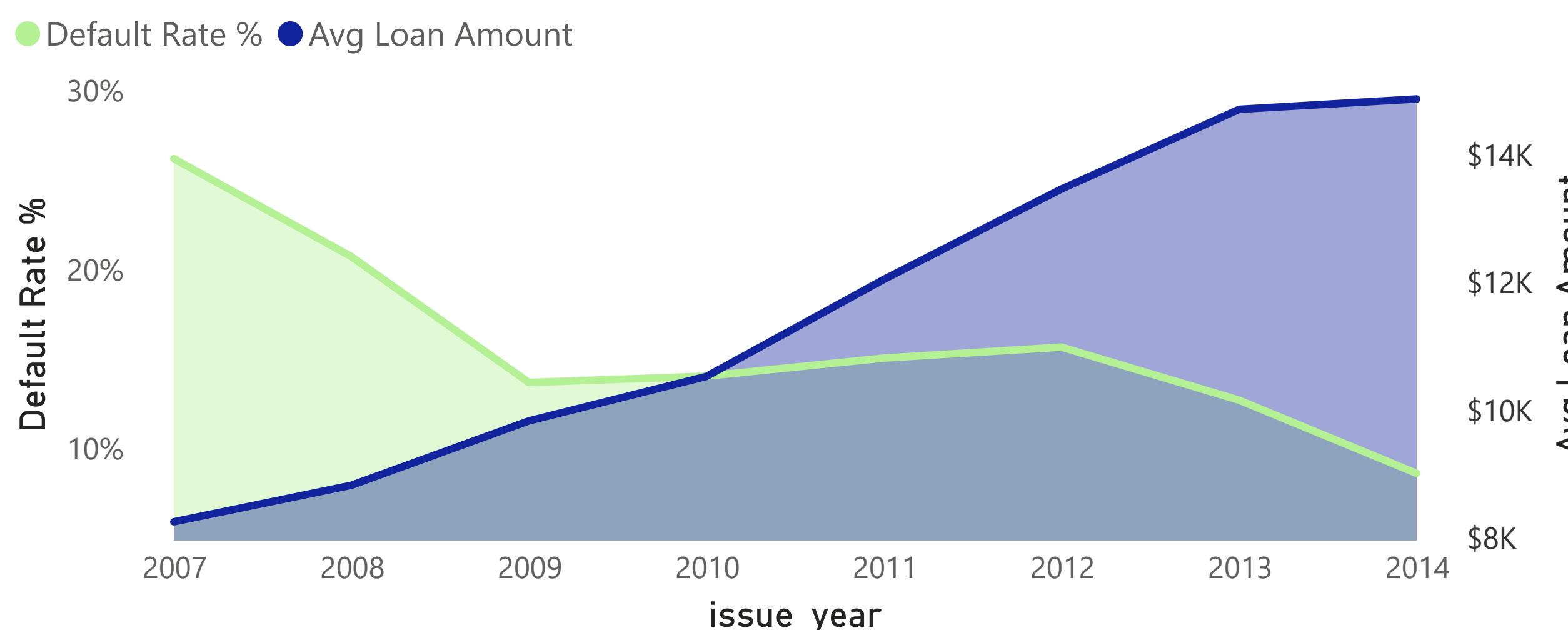
## Default Rate by Interest Rate



## DTI Bucket vs Default Rate



## Issue Year — Default Rate & Avg Loan Amount Trend



## Predicted Probability by Grade

grade	2007	2008	2009	2010	2011	2012	2013	2014
A	4.42%	6.52%	6.16%	5.20%	5.85%	6.27%	3.85%	2.72%
B	15.79%	14.68%	11.79%	11.77%	12.34%	12.60%	8.59%	5.14%
C	19.68%	17.96%	15.42%	16.15%	17.94%	17.94%	14.31%	8.35%
D	21.24%	22.37%	19.66%	20.76%	23.00%	22.89%	18.93%	12.52%
E	29.35%	27.39%	25.34%	26.96%	28.14%	28.01%	23.43%	17.35%
F	34.67%	30.39%	28.97%	29.39%	31.45%	30.79%	27.10%	21.02%
G	33.16%	31.67%	32.96%	31.88%	32.84%	32.30%	29.60%	24.00%