

S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES SHOW COMPOSITE DEFAULT RATE STEADY IN JULY 2018

Bank Card Default Rate Falls to Lowest Level of 2018

NEW YORK, August 21, 2018: S&P Dow Jones Indices and Experian released today data through July 2018 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate was unchanged at 0.86%. The bank card default rate dropped 15 basis points to 3.56%. The auto loan default rate increased three basis points to 0.96%. The first mortgage default rate was unchanged at 0.63%.

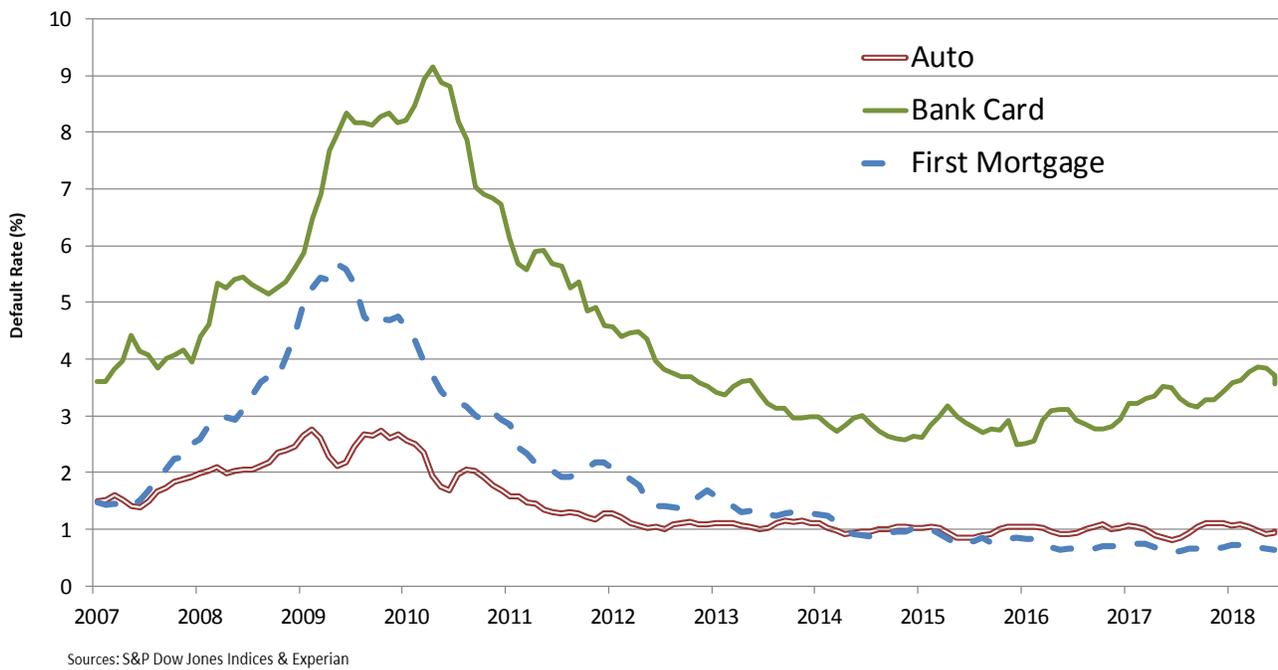
Three of the five major cities recorded decreases in composite default rates in July 2018. Miami showed the largest decrease, falling 62 basis points to 1.68%. The default rate for Los Angeles fell four basis points to 0.61%, while the rate for New York fell one basis point to 0.87%. The default rate for Chicago was unchanged at 0.86%. Dallas was the only city which saw rates move higher, up two basis points to 0.86%.

After increasing each of the first four months of the year, bank card default rates have now decreased for three consecutive months. Similarly, the default rate for Miami increased each of the first four months of the year before decreasing for three consecutive months. Meanwhile, the composite default rate has gradually fallen and is now nine basis points lower than it was in January.

“There are some conflicting trends behind the continued stability in consumer credit default rates,” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. “Default rates for mortgages and automobile loans have varied very little in the last five years. Defaults on bank cards are more volatile. Despite continued growth of outstanding debt across all three categories which is outpacing wage gain, debt service ratios – the proportion of income needed to cover monthly borrowing costs – are flat to down. One explanation for the stable auto and mortgage default rates is that the share of new loans continues to go to the most credit worthy borrowers since climbing sharply in 2008-2010.

“Bank card default rates have moved more than usual in recent months. Growth in overall retail sales combined with gasoline prices that are generally higher and more volatile than last year is boosting borrowing. Consumer sentiment remains quite high but is not rising, and sales of both new and existing homes are roughly flat in recent months. These two trends suggest slower borrowing growth and possibly some stability in bank card default rates.”

National S&P/Experian Consumer Credit Default Indices



The table below summarizes the July 2018 results for the S&P/Experian Credit Default Indices. These data are not seasonally adjusted and are not subject to revision.

S&P/Experian Consumer Credit Default Indices			
National Indices			
Index	July 2018 Index Level	June 2018 Index Level	July 2017 Index Level
Composite	0.86	0.86	0.83
First Mortgage	0.63	0.63	0.62
Bank Card	3.56	3.71	3.31
Auto Loans	0.96	0.93	0.86

Source: S&P/Experian Consumer Credit Default Indices
Data through July 2018

The table below provides the S&P/Experian Consumer Default Composite Indices for the five MSAs:

Metropolitan Statistical Area	July 2018 Index Level	June 2018 Index Level	July 2017 Index Level
New York	0.87	0.88	0.82
Chicago	0.86	0.86	0.90
Dallas	0.86	0.84	0.77
Los Angeles	0.61	0.65	0.63
Miami	1.68	2.30	1.23

Source: S&P/Experian Consumer Credit Default Indices
Data through July 2018

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT THE S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES

Jointly developed by S&P Dow Jones Indices LLC and Experian, the S&P/Experian Consumer Credit Default Indices are published on the third Tuesday of each month at 9:00 am ET. They are constructed to track the default experience of consumer balances in four key loan categories: auto, bankcard, first mortgage lien and second mortgage lien. The Indices are calculated based on data extracted from Experian's consumer credit database. This database is populated with individual consumer loan and payment data submitted by lenders to Experian every month. Experian's base of data contributors includes leading banks and mortgage companies, and covers approximately \$11 trillion in outstanding loans sourced from 11,500 lenders.

For more information, please visit: <https://www.spindices.com/indices/indicators/sp-experian-consumer-credit-default-composite-index>.

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We have more than 16,000 people operating across 37 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximize every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

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FOR MORE INFORMATION:

David Blitzer

Managing Director and Chairman of Index Committee

New York, USA

(+1) 212 438 3907

david.blitzer@spglobal.com

Luke Shane

North America Communications

New York, USA

(+1) 212 438 8184

luke.shane@spglobal.com

Jordan Takeyama

Experian Public Relations

(+1) 714 830 7561

jordan.takeyama@experian.com