S&P/Experian Consumer Credit Default Indices Show Bank Card Default Rates Driving Composite Rate Higher In January 2018

Bank Card Default Rates at Highest Level Since May 2013

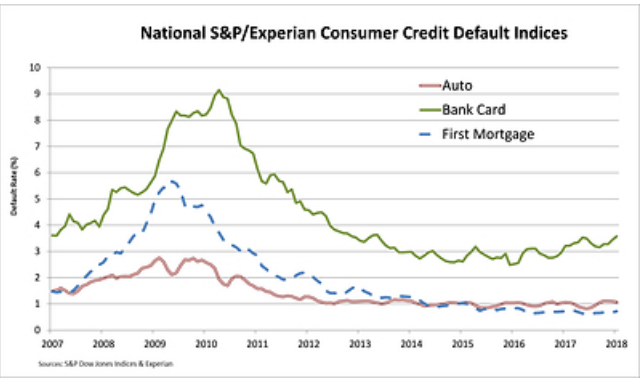
NEW YORK, Feb. 20, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data throughJanuary 2018 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate increased four basis points from last month to 0.95%. The bank card default rate rose 13 basis points to 3.57%. The auto loan default rate fell three basis point from December to 1.07%. The first mortgage default rate increased four basis points to 0.72%.

None of the five major cities saw a decline in composite default rates in JanuaryMiami had the largest increase, up 29 basis points to 1.27%. Chicago recorded an increase of eight basis points to 1.23%, whileDallas was two basis points higher in January at 0.87%. The default rates for New York and Los Angeles were both unchanged, at 0.95% and 0.77% respectively.

The composite default rate has crept steadily higher over the past several months, largely driven by bank card default rates, which are up 42 basis points since September 2017 and have now reached a nearly four-year high. Auto loan and first mortgage default rates remain stable – at levels almost identical to those observed one year ago.

"The economy is growing, consumers are bullish and they're spending money," saysDavid M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "We are seeing the usual result of spending growth: modest increases in consumer credit defaults – especially in bank cards – and overall increases in the level of debt in the economy. Neither the defaults nor the amount of debt outstanding are immediate problems. The Federal Reserve is expected to continue raising interest rates. Home mortgage rates, which respond to movements in the financial markets, have risen from 4% to about 4.4% since the beginning of 2018. Although interest rates have increased, there are few signs of financial tightness or increased difficulties in qualifying for loans. Rates on bank cards tend to be more stable but higher than mortgage or auto loan rates.

"After several years of policymakers seeking to increase the rate of inflation, the last few weeks have shown fears of higher inflation creating turmoil in the stock market amidst sharply higher volatility. Neither inflation fears nor the turbulent market threaten immediate damage to consumer spending or borrowing. While roughly half of households in America have some exposure to the stock market through pensions, IRAs or similar retirement accounts, less than 15% directly own stocks. Despite the current excitement about inflation, the actual rate of price or wage increases hasn't changed much."



The table below summarizes the January 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	**January 2018 Index Level**	**December 2017 Index Level**	**January 2017 Index Level**

Composite	0.95	0.91	0.92
First Mortgage	0.72	0.68	0.72
Bank Card	3.57	3.44	3.21
Auto Loans	1.07	1.10	1.06

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

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

Metropolitan Statistical Area	January 2018 Index Level	December 2017 Index Level	January 2017 Index Level
New York	0.95	0.95	0.88
Chicago	1.23	1.15	1.03
Dallas	0.87	0.85	0.75
Los Angeles	0.77	0.77	0.80
Miami	1.27	0.98	1.67

Source: S&P/Experian Consumer Credit Default Indices
Data through January 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: www.consumercreditindices.standardandpoors.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

ABOUT EXPERIAN

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organizations to prevent identity fraud and crime.

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.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group

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

SOURCE S&P Dow Jones Indices

---

https://press.spglobal.com/2018-02-20-S-P-Experian-Consumer-Credit-Default-Indices-Show-Bank-Card-Default-Rates-Driving-Composite-Rate-Higher-In-January-2018