S&P/Experian Consumer Credit Default Indices Show Lower Default Rates For All Loan Types In May 2018

Composite Default Rate at Lowest Level Year-to-Date

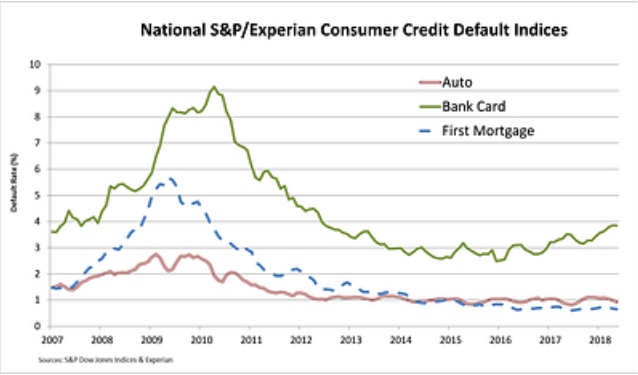
NEW YORK, June 19, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through May 2018 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate decreased three basis points from last month to 0.89%. The bank card default rate dropped two basis points to 3.84%, and the auto loan default rate fell six basis points from last month to 0.93%. The first mortgage default rate declined by two basis points, to a level of 0.66%.

Three of the five major cities saw decreases in composite default rates in May 2018. Chicago and Dallas each decreased two basis points, to 0.88% and 0.80%, respectively. The default rate for Miami in May 2018 was 2.77%, which was one basis point lower than the previous month. The rate for New York increased two basis points to 0.92%, while the rate for Los Angeles increased three basis points to 0.62%.

The auto loan default rate has steadily fallen in 2018 and now is at its lowest rate since July 2017. Two notable trends so far in 2018 have been the consistently increasing default rates for both bank cards and for Miami. After seeing increases each month of the year, both reversed course in May, if only slightly.

"Consumers continue to pay their bills on time," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "With the economy turning in good numbers with low unemployment, low inflation and gradually rising wages, consumer credit default rates are flat to down. Consumer borrowing has recovered from the financial crisis. Mortgage debt outstanding fell 12.6% from its early 2008 peak to the bottom in 2014; now it remains roughly 6.1% below the peak. Outstanding debt on bank cards dropped 18% from a May 2008 high to a low in May 2011. Subsequently, it recovered and is now about 1% higher than the peak seen 10 years ago. Borrowing for auto loans peaked in early 2005, before the financial crisis, then hit its low point in 2010 and has experienced a strong rebound. Currently, outstanding auto loans are almost 40% above the 2005 level.

"Looking ahead, there may be some concern about how long the moderate default rates can continue. Savings as a percentage of disposable income is declining. At the current level of 3%, it is near the low point seen in the boom before the financial crisis. While inflation remains low, wage growth is not very high and home prices are rising two to three times faster. Any rapid rise in defaults will wait for the next recession, whenever it comes."



The table below summarizes the May 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	**May 2018 Index Level**	**April 2018 Index Level**	**May 2017 Index Level**
Composite	0.89	0.92	0.86
First Mortgage	0.66	0.68	0.64

Bank Card	3.84	3.86	3.53
Auto Loans	0.93	0.99	0.85

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

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

Metropolitan Statistical Area	May 2018 Index Level	April 2018 Index Level	May 2017 Index Level
New York	0.92	0.90	1.01
Chicago	0.88	0.90	0.97
Dallas	0.80	0.82	0.67
Los Angeles	0.62	0.59	0.66
Miami	2.77	2.78	1.29

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