Equifax Study Shows Mixed Results in Overall Commercial Credit Trends

Economic Decline of Pacific Region Has Ripple Effect Across the Nation's Commercial Markets

"Out of today's market turmoil have emerged some unexpected commercial trends as regional bankruptcies and business failure show signs of fluctuation and modest decline," said Dr. Reza Barazesh, senior vice president, Commercial Information Solutions, Equifax. "While it is unknown if these trends will continue, it is possible that many businesses are waiting to see what economic conditions look like at year end before deciding whether to file for bankruptcy."

Today's Economy: Understanding the Commercial Impact

Within the commercial market, are there any signs of change or do more challenges lie ahead? According to an Equifax study on Q3 2009 data, the commercial landscape continues to exhibit some interesting dichotomies when it comes to key credit trends. While initial Equifax analysis showed an average 10% decline in commercial bankruptcies at the end of 2009, rising delinquencies and small business economic challenges continue to pressure today's commercial markets. This was especially true of the Pacific Region where economic turbulence continues to interrupt the nation's recovery.

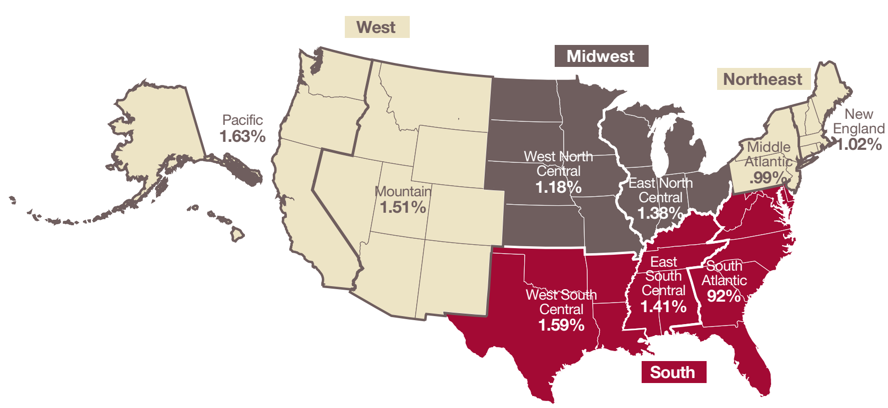
To take a closer look at the market's impact on commercially active businesses, Equifax analyzed key credit trends within the portfolios of 26 top national and regional financial institutions. While there were some unexpected findings related to regional bankruptcies and business failures, it is unknown if these mixed trends will extend into 2010. Looking ahead, Equifax Commercial Information Solutions will continue to closely monitor commercial economic conditions and report regularly on its findings.

The Ups and Downs of Commercial Bankruptcy

According to Equifax data, the Pacific region continues to experience the greatest impact from the credit crisis, with a bankruptcy rate in Q3 2009 higher than any other U.S. geography. While commercial bankruptcies swept the nation during the third quarter of this year, there was some fluctuation in the bankruptcy rate from region to region. Surprisingly, Q3 2009 quarterly bankruptcy rates for the South Atlantic, Mid-Atlantic, West North Central and New England regions were all lower than the quarterly U.S. total. At the same time, all other regions saw a bankruptcy rate higher than the U.S. average.

figure 1
Q3 2009 Commercial Bankruptcy Rate by Region

Note: Numbers in map reflect percentages and correspond to the chart on the next page.



Region	Percentage of U.S. Commercial Businesses	Q3 2006 Bankruptcy Rate	Q3 2009 Bankruptcy Rate	Bankruptcy Rate Change*
Pacific	17.50%	0.99%	1.63%	64
West South Central	10.20%	1.11%	1.59%	48
Mountain	8.20%	0.96%	1.51%	55
East South Central	5.10%	0.90%	1.41%	51
East North Central	14.10%	0.87%	1.38%	51
West North Central	6.50%	0.73%	1.18%	45
New England	4.70%	0.65%	1.02%	37
Middle Atlantic	12.00%	0.66%	0.99%	33
South Atlantic	21.80%	0.58%	0.92%	34
Total U.S.	100%	0.80%	1.22%	42

* Numbers reflect basis points

Transportation Forges Ahead of All Other Sectors

The bankruptcy rate for the transportation industry surpassed all other sectors in Q3 2009. Not far behind was the construction industry, which experienced the largest growth in bankruptcy rate from Q3 2006 to Q3 2009. Manufacturing, retail and mining also showed marked increases during the same time period.

Industry	Q3 2006 Bankruptcy Rate	Q3 2009 Bankruptcy Rate	Bankruptcy Rate Change*
Transportation	1.62%	2.52%	90
Construction	1.34%	2.29%	95
Manufacturing	1.43%	2.17%	74
Retail	1.26%	2.15%	89
Mining	1.19%	1.89%	70
Wholesale	1.15%	1.83%	68
Agriculture	0.89%	1.44%	55
Finance	0.55%	1.08%	53
Total U.S.	0.80%	1.22%	42

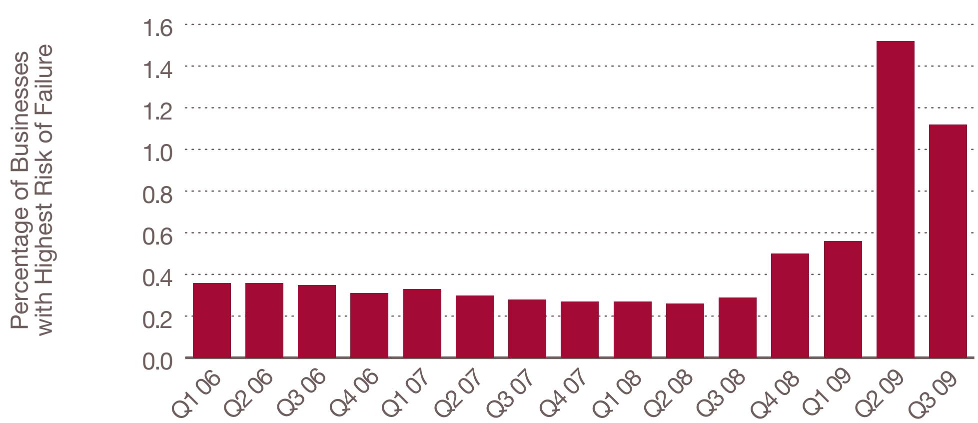
* Numbers reflect basis points

Sign of the Times: Business Failures Decline...

Equifax research on business failure uncovered some interesting findings in light of continued delinquencies and bankruptcy trends. According to Equifax, the percent of businesses with the highest risk of failure decreased from 1.24% in Q2 2009 to 1.12% in Q3 2009. For the analysis, Equifax leveraged its Business Failure Risk Score, which projects the likelihood of business failure in the next 12 months.

figure 2
Percent of Businesses with Highest Risk of Failure

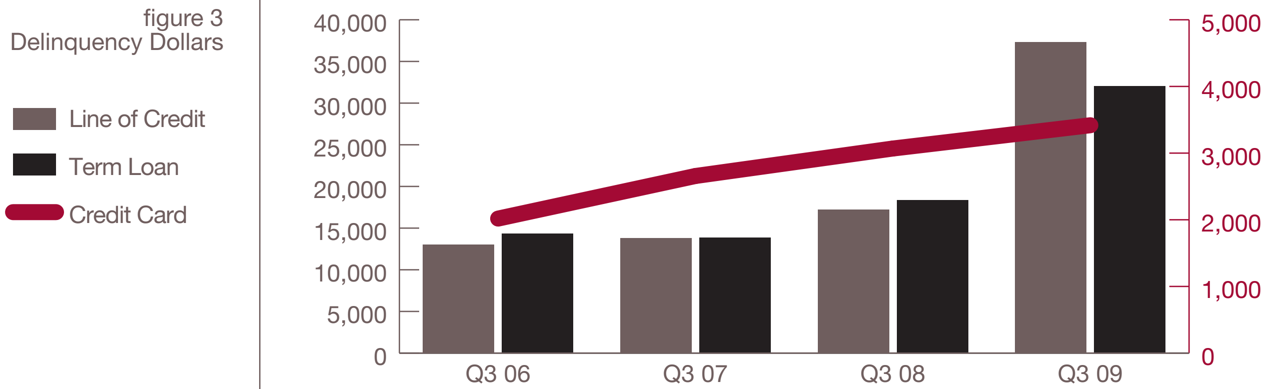
Note: Analysis conducted using Equifax's Business Failure Risk Score.



Delinquencies on the Rise

The chart below shows the average quarterly delinquency year over year by account type from Q3 2006 to Q3 2009. According to Equifax data, average past due dollars for lines of credit reached $37,344 in Q3 2009, a 187.34% increase over Q3 2006. Following close behind were term loans which saw a 123.24% increase in average

figure 3
Delinquency Dollars



dollar delinquency during the same period. Credit cards were no exception, with the average delinquency totaling $3,348 in Q3 2009 – a 70.37% jump from Q3 2006.

Equifax Commercial Information Solutions

Equifax Commercial Information Solutions provides the information and expertise necessary for companies to best understand and manage their dealings with business customers, prospects and suppliers. Our exclusive partnership with the Small Business Financial Exchange, along with other proprietary sources, provides the best-in-class commercial credit risk data. Combined with highly predictive scoring and innovative technology, businesses can leverage this information to make quick, confident credit decisions and minimize potential losses.

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