

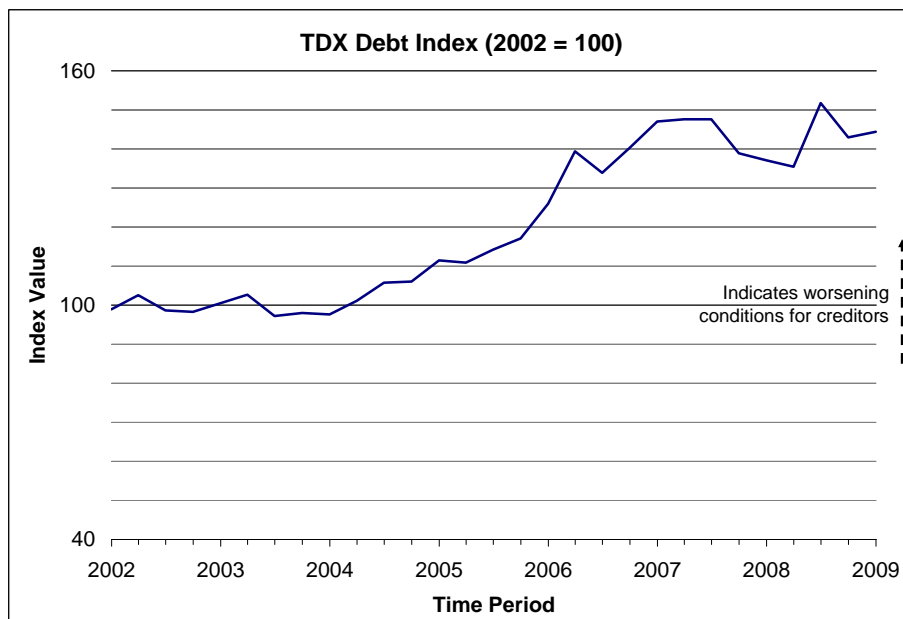
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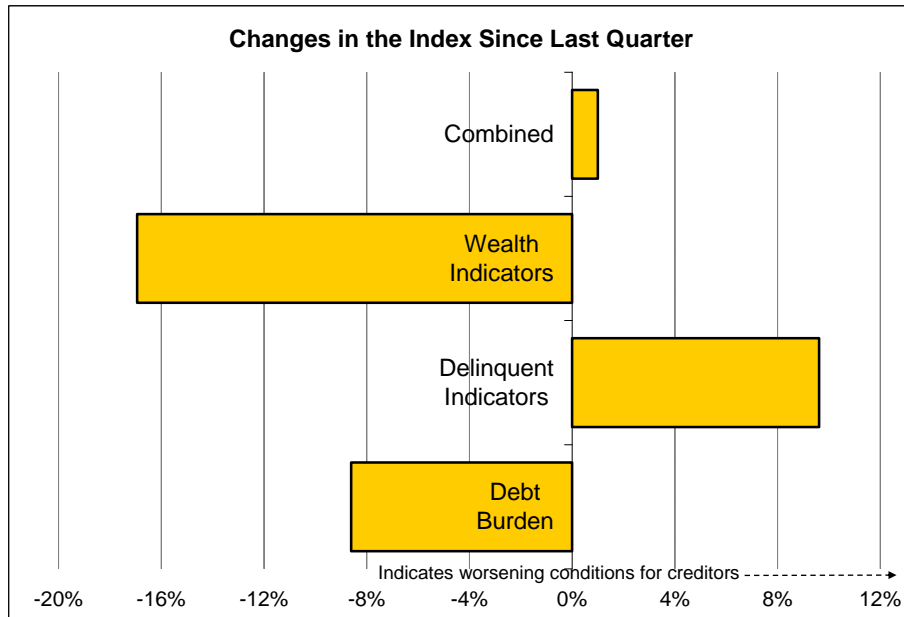
Debt Index shows delinquency rates soar 10% in Q1

Changes in consumer and creditor behaviour mean debt collection conditions remain stable despite rise in delinquency rates

The TDX Group Debt Index shows that overall conditions for debt collection stabilised in the last quarter, showing an increase of only 1% since the last index in January. But the headline figures mask a worrying underlying trend with the Delinquent Indicators showing an index rise of 10%, driven by increased unemployment rates, bankruptcies and mortgage repossessions.

However this increase has been offset by the household savings ratio nearly tripling (from 1.8% to 4.8%) since the last index - to levels not seen since 2006 - as consumers 'tighten their belts' to protect themselves against unforeseen changes in their circumstances.





* Based on data trends through the end of Q3 2008

About The Debt Index

The Debt Index has been developed by TDX Group to represent the impact of current macroeconomic and credit sector factors on creditors' efforts to collect on their outstanding balances. The index is based on 2002 = 100 and has been calibrated such that a rise in the index value represents worsening conditions from a creditor's perspective. The index comprises of a number of macroeconomic variables and industry performance measures which are weighted based on their predicted impact. Each variable is assigned to one of three categories, with each category representing an underlying cause for a worsening debt market;

Debt Burden Indicators: This category contains factors that indicate the overall levels of personal debt and the difficulty that a typical household will be experiencing meeting those debt commitments.

Delinquent Indicators: This category contains factors that indicate levels of adverse behaviour within the debtor population and the population as a whole, such as insolvencies and unemployment.

Wealth Indicators: This category contains factors that indicate the overall wealth level of the UK population and due to the nature of the index, an increase in relative wealth causes a decrease in this category's contribution to the index.

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